

COMMUNICATOR

News for DCMA Professionals

Strategic Planning for DCMA's Future



Inside

- Seeking Emergency-Essential Personnel
- Earned Value Management:
Where Are We Going From Here?
- Contractors on the Battlefield: Part III

Strategic Planning and DCMA



This issue of the Communicator highlights DCMA's strategic planning process and how the Agency is transitioning to a performance-based management system. Our strategic plan provides the foundation upon which we build customer-based outcomes. This produces a very visible process for measuring our effectiveness.



- Improve financial management through performance and budget integration

We often refer to this goal structure as a “balanced scorecard.” Basically, that means we try to implement a balanced approach to performance management that leverages the strengths of our skilled workforce,

customer satisfaction, process discipline and sound performance-based resource management. It's a solid framework that has proven to provide solid results.

One of the most important parts of our planning process is that it doesn't stop when the plan is first published. That's just the beginning. Each of our offices — Headquarters, Districts and Contract Management Offices — develops execution plans detailing the specifics of how they support the Agency mission. This completes the circle from setting a top-down, broad Agency vision to achieving customer results throughout. It makes Agency planning an active, customer results-oriented process that focuses us all in a common direction.

In the future, as the Department looks to shift our individual performance management process to a more results-based approach tied directly to pay, it will become increasingly important for us all to link our individual performance to Agency goals. I encourage each of you to talk with your supervisor to find out how you fit into the Agency plan — how you contribute to our shared vision of becoming an indispensable partner chosen by our customers for the best solutions.

Jim Russell

Executive Director

Financial and Business Operations

DCMA Headquarters

Mention strategic and performance planning in most federal agencies and you're likely to be greeted with a blank stare. At best, someone will reach up on a distant shelf and pull down a dusty brochure with some nice words and pictures. When asked how it impacts their daily activities, even senior managers will often shrug.

But at DCMA, strategic and performance planning are much different. They are, in fact, fundamental to how we operate as an Agency. Our plan articulates the vision, sets priorities and communicates performance expectations up and down the chain of command. And in our new performance outcome-based environment, it will become even more critical in the future.

Our strategic plan is really the Agency's roadmap to the future. It contains not only an overall vision but also detailed guidance on how we intend to implement that vision. Embedded in the plan are specific performance commitments we have made to our senior customers, detailed Agency strategies for transforming to a performance outcome-based environment and our strategies for fostering a truly customer-centered culture in DCMA. The plan sets goals in four main areas:

- Enable our people to excel
- Deliver great customer care
- Improve support to acquisition lifecycle processes

Editor's Note:

This issue of DCMA's *Communicator* has a new look. The magazine has undergone a layout change and moderate redesign, intended to make *Communicator* a premier Department of Defense publication for those both within the Agency and outside — anyone who is interested in contracting issues and how DCMA initiatives impact both civilians and our military personnel. We hope that you enjoy the new look and that you will share your own stories in the form of article submissions.

DCMA Director

Maj. Gen. Darryl A. Scott, U.S. Air Force

Office of Congressional and Public Affairs**Director**

Mr. Art Forster

Editor-in-Chief

Ms. Lisa Anderson

Chief, Public Affairs

Ms. Julia Wyant

Public Affairs Assistant

Ms. Dianne Ryder

Editorial and Production

BRTRC Technology Marketing Group

The DCMA *Communicator* is an official publication for the DCMA workforce. Contents are not necessarily the official view of, or endorsed by, the U.S. government, the Department of Defense or the Defense Contract Management Agency. The *Communicator* welcomes feedback and unsolicited articles on the DCMA programs, policies or people. Address correspondence to: Attn: DCMA DSA, Defense Contract Management Agency, 6350 Walker Lane, Alexandria, VA 22310-3241. Send voice correspondence to (703) 428-1715 or e-mail to dcmapublicaffairs@dcma.mil. The DSN prefix is 328 and the fax is x 3580.

(On the cover) A CH-40 Chinook helicopter rests briefly on the landing zone of a remote fire base outside of Gereshk, Afghanistan on Nov. 14, 2003. Soldiers of the 10th Mountain Forward Support Battalion assist with the downloading of gear belonging to civilian contractors who came to install high speed Internet service to the fire base. (U.S. Army photo by Spec. Isaac Scruggs.)

COMMUNICATOR

NEWS FOR DCMA PROFESSIONALS



Strategic Planning
Special Insert

AT PAGE 30

Seeking Emergency-Essential Personnel
PAGE 18

In The News

- 2 Program Support Conference — A Successful Integration
- 4 Security Team Wins Video Award

International News

- 5 International Receives Joint Meritorious Unit Award
- 5 DCMA International Headquarters Relocates

People

- 6 Ms. Meyerhofer Is on the Case
- 8 Expanding Horizons for Keystone Interns
- 9 Employee of the Quarter
- 10 A Celebration of DCMA's Greatest Resource
- 17 Col. Mills and Lt. Col. Pellicci Win Army Honors

Customer Support

- 18 Join the DCMA Emergency-Essential Team and Deploy to Make a Difference
- 20 A Steel of a Deal at Camp Anaconda
- 22 Successful CCAS Deployment Needs Stay-Behind Support
- 23 Strategic Planning Helps Meet Customer Outcomes

*Strategic Planning Insert**Business Processes*

- 28 Contractors on the Battlefield: Part III
- 36 Battle-Hardened Leadership Lessons from Gettysburg
- 44 Earned Value Management — Where Are We Going from Here? Part I
- 48 DCMA's Earned Value Leaders Weigh In
- 52 Moving Out Quickly With Performance-Based Management Training
- 56 Worthy of the Refrigerator: DCMA's Small Business Report Card

Program Support Conference — A Successful Integration

by Ms. Dianne Ryder, Public Affairs Assistant, DCMA Headquarters

The first-ever DCMA Program Support Conference, which was held June 8 - 10, 2004, at the Fleet Anti-Submarine Warfare (FASW) Training Center in Point Loma, San Diego, Calif., boasted 420-plus attendees – over 150 more than initially anticipated. The program was a joint venture between DCMA's Program Integration (PI) and Contract Operations (OC), a merger borne out of a "funding challenge," according to conference manager Mr. Eric Kessler, DCMA Headquarters Engineering Group.

With both PI and OC personnel attending the conference, the format of the event had to be carefully considered to appeal to this wider audience. The goal was to provide a forum to discuss ideas and customer input and to benefit from the expertise of those in the field and the invited guests. The conference included more course offerings this year than conferences hosted by OC in previous years. As Mr. Kessler noted, "This conference was different because of the broad menu of course offerings, which grew from five elective workshops to nine." Fortunately, the FASW facility allowed for the necessary flexibility and convenience for coordinating the many workshops, presentations and networking breaks. This conference was also unique in that it was



highly focused on the customer and included the incorporation of DCMA Director Maj. Gen. Darryl A. Scott's and DCMA Deputy Director Mrs. Sallie Flavin's concerns with Knowledge Management (KM) and Communities of Practice (CoP). Said Mr. Kessler, "This was the first DCMA conference that established a CoP for the conference itself and integrated KM issues into DCMA workshop topics."

The conference began with opening remarks by Mr. Kessler, followed by a welcome and introductions by U.S. Air Force Col. Alan Booker, DCMA Program Support and Customer Relations. The first keynote speaker was Mr. Mark Schaeffer, principal deputy, Defense Systems/director, Systems Engineering, Office of the Under Secretary of Defense (Acquisition, Technology, &



“We were able to gather a wealth of expertise and marry multiple disciplines...”

Logistics) followed by Mr. Paul Solomon, manager, Earned Value Management Systems, Northrop Grumman Corporation and Software Engineering Institute. DCMA's own Mrs. Flavin and Mr. Bob Schmitt, executive director for Contract Management Operations, conveyed the headquarters perspective on transformation and contract management operations insight, respectively. Other guest speakers included Mr. Tony Parasida, vice president, Boeing Integrated Defense Systems, Program Management and Independent Review, and Mr. Brian Willoughby, president, WILLCOR, Inc. and the industry director for Best Manufacturing Practices Center of Excellence (BMPCOE). A customer panel focusing on Joint Strike Fighter (F-35), DD(X) Transformational Systems and Space and Naval Warfare Systems Command (SPAWAR) was also held.



Topics covered in the workshops were:

- *Capability Maturity Model, Integrated (CMMI)*
Briefed by: Ms. Kathy Lundeen, DCMA Headquarters; Mr. Larry Tomenga, DCMA Dallas; Ms. C. G. Lindsay, DCMA Lockheed Martin Orlando; and Mr. Charles Bush, DCMA Lockheed Martin Denver.
- *Measures*
Presented by: Mr. Guy Mercurio, DCMA Boston; Mr. Steve Martinez, DCMA Headquarters; and Mr. John Eget, DCMA General Dynamics.

(Above) Keynote speaker, Mr. Mark Schaeffer, principal deputy, Defense Systems/director, Systems Engineering, Office of the Under Secretary of Defense.

(Opposite - Top) Mr. Brian Willoughby, WILLCOR, Inc. president and the industry director for Best Manufacturing Practices Center of Excellence (BMPCOE).

(Opposite - Bottom) Mr. Paul Solomon of Northrop Grumman Corporation and Software Engineering Institute.

- *Program Surveillance Strategy*
Presented by: Mr. John Twohy, DCMA Headquarters, and Ms. Cynthia Seiter, DCMA Headquarters Earned Value.
- *Integrated Master Schedule*
Presented by: Ms. Karen Urschel, DCMA District East, and Mr. Jeff Tallmadge, DCMA Lockheed Martin Denver.
- *Manufacturing Work Products*
Presented by: Mr. John Gelsomini, DCMA Raytheon Mass.; Ms. Jane Thompson, DCMA Headquarters; and Mr. Marty Makielski, DCMA Chicago.
- *Technical Risk – Identification, Mitigation and Prediction*
Presented by: Mr. Ralph Sickinger, BMPCOE software development manager, and Mr. Jorge Cardozo, BMPCOE software development manager.
- *Integrated Predictive Analysis*
Presented by: Mr. Gary Gustafson, Defense Acquisition University chair, and Mr. Dave James, DCMA Headquarters.
- *Engineering Roles and Competencies*
Presented by: Mr. Tom Solosky and Mr. Ramu Pillai, both of DCMA Headquarters.
- *KM/CoP*
Presented by: Dr. Moonja Kim, DCMA Headquarters, and Mr. Ed Clavette, DCMA District East.

The conference attendees were not limited to program support personnel and engineers — a number of quality managers were represented as well. Mr. Kessler deemed the conference a great success, stating, “We were able to gather a wealth of expertise and marry multiple disciplines [with]...the integration of some quality issues.”

Security Team Wins Video Award

by Ms. Lisa Anderson, Editor-in-Chief

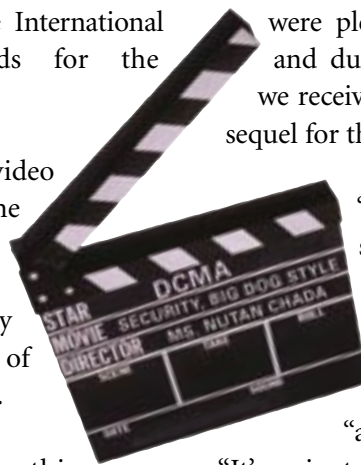
Competing against the likes of Proctor & Gamble and Lockheed Martin, Defense Contract Management Agency (DCMA) and Defense Logistics Agency (DLA) Video Productions won first place on November 13, 2004, in the internal communications category of the International Television Association Awards for the Washington, D.C., chapter.

Ms. Nutan Chada, DLA's senior video producer, accepted the award for the video titled, "Security, Big Dog Style," which was a collaborative effort among DCMA's Security Team, DLA and DCMA's Office of Congressional and Public Affairs.

"We're delighted to receive this prestigious award," said Ms. Becky Allen, DCMA director of Security. "This training film is an important part of our security awareness education program and has been well-received by our DCMA employees. It was a pleasure working with our DCMA Public Affairs colleagues and the DLA video folks. They translated our needs into a first-class program that captures the attention and commitment of our people."

Ms. Allen continued, "The development of 'Security, Big Dog Style' is truly a reflection of

the Security team's transformation efforts and demonstrates how innovation and creativity can be incorporated into traditional security education. We listened to the voice of the customer and then worked toward a product that would meet their expectations. Our customers were pleasantly surprised by our efforts, and due to the overwhelming responses we received, we are considering a 'Big Dog' sequel for the future!"



"It was a surprise," Ms. Chada said after the awards show. "I didn't know the video had won." Although she was the one on stage, Ms. Chada said she accepted the award on behalf of "a group of very creative people."

"It's a nice trophy," she added, "and I believe we were the only government winners in the entire competition."

The Washington Chapter of the International Television Association has more than 300 members. Its goal is to be a valuable resource to the Washington metropolitan production community through meetings, panel discussions, workshops, networking events and festivals as well as newsletters and guides. Members include representatives from corporate ranks, filmmakers, musicians, composers, actors and on-camera voice talent, webmasters and TV journalists.

International News

Contributed by Ms. Karen Parrish,
Public Affairs Specialist, DCMA International

International Receives Joint Meritorious Unit Award

On November 17, 2004, Maj. Gen. Darryl A. Scott, director of the Defense Contract Management Agency (DCMA), presented the Joint Meritorious Unit Award to Navy Capt. Michael P. Tryon, commander of DCMA International, during the Agency's Commanders' Conference in La Jolla, Calif. Maj. Gen. Scott offered congratulations to Capt. Tryon and all of the men and women of DCMA who have deployed in support of Operation Iraqi Freedom.

The award, signed by Secretary of Defense Donald Rumsfeld, was in recognition of DCMA International's support of Operations Enduring Freedom and Iraqi Freedom. During this period, DCMA International, through outstanding leadership, exemplary foresight and professional acumen, provided critical direct combat support to U.S. and Coalition forces in the U.S. Central Command area of responsibility. DCMA International transformed from peacetime to wartime mode, "ramping-up" mission support from one to over 50 locations in nine Middle Eastern countries including Afghanistan and Iraq. In a break with past practice,

the unit exercised contracting authority for the Coalition Provisional Authority (CPA) and established a procurement process and standard operating procedures for the CPA. DCMA International's efforts established the organizational framework for successful acquisition and contract support of over 100 contract task orders valued at over \$1.5 billion under the Army Logistics Civil Augmentation Program (LOGCAP) and the Air Force Contract Augmentation Program.



DCMA International Headquarters Relocates

In a small ceremony signifying the official opening of DCMA International's new headquarters located in Alexandria, Va., Navy Capt. Michael P. Tryon, DCMA International commander, cut the ribbon. Assisting Capt. Tryon were Mr. Jerry Derrick, DCMA chief of Special Staff, and Mr. Chuck Zelenka, DCMA International management analyst and the project officer for the move.

(Above) Maj. Gen. Darryl A. Scott, DCMA director, presents the Joint Meritorious Unit Award to Capt. Michael P. Tryon, commander of DCMA International District.

(From left) Mr. Derrick, DCMA chief of Special Staff; Capt. Tryon, DCMA International District commander; Mr. Zelenka, DCMA International management analyst at the ribbon-cutting ceremony.



Ms. Meyerhofer Is on the Case

by Mr. Russ Geoffrey, Director, DCMA Contract Integrity Center

It was a dark and stormy night. Rain pelted the window as Ms. Ingrid Meyerhofer started on her third cup of coffee – black, extra strong – and pored over the reports submitted by Lockheed Martin’s “Skunk Works.”¹ Sitting at her cramped and document-filled desk, straining under the poor illumination of the standard Lockheed-issued 25 watt light, Ingrid poured another couple of drops of Visine into her eyes and returned to the task. Suddenly, as she reviewed a footnote on page 362 of the report, the insight struck her: Lockheed had conducted an investigation that found that L & T Seals of Galena, Kan., had supplied commercial-grade O-rings rather than military-specification O-rings on the canopy thrusters on U-2 reconnaissance aircraft. While Lockheed had taken action to recall part numbers associated with suspect O-rings on the U-2, there was no effort made to assess any possible problems on other programs or with other prime contractors. Ingrid pondered what she had discovered. Were there other nonconforming O-rings being used on other military aircraft? Were lives being put at risk? Having recently attended fraud awareness training, Ingrid knew what to do. She reached for the phone and began to dial. Pausing in mid dial, she slowly replaced the handset, quietly packed her bag, left the facility and walked out into the blustery, rain-filled night. It was only when she reached the safety

of her own home that she made a phone call to Ms. Carol Matsunaga, associate counsel for the DCMA Contract Integrity Center (CIC).

Okay, maybe it didn’t happen exactly that way, but Ingrid did call Carol, starting the process of an investigation that would eventually lead to the discovery that defective L & T Seals O-rings had impacted various other aircraft programs and caused in-flight emergencies on a C-130 cargo plane and on B-1B aircraft. Her report led to Interagency Suspension and Debarment Committee and Federal Aviation Administration safety alerts that saved not only the loss of government aircraft and parts but most likely prevented loss of life. Three individuals were sentenced to a total of 36 months in prison, seven years of probation and over \$5 million in restitution. The company and two of its principals have been debarred from doing business with the government until March 2008.

Through training and experience, Ingrid was sensitive to the fact that despite DCMA’s efforts to partner and team with contractors, there are still instances where contractors attempt to defraud the government through charging incorrect or inflated costs; providing

Were there other nonconforming O-rings being used on other military aircraft? Were lives being put at risk?

(Above) Ms. Ingrid Meyerhofer of DCMA’s Contract Integrity Center.

(Middle) A B-1B Lancer. Ms. Meyerhofer’s investigations led to the discovery that defective L & T Seals O-rings had caused an in-flight emergency on a B-1B aircraft.

Her report led to...safety alerts that saved not only the loss of government aircraft and parts but most likely prevented loss of life.

nonconforming parts, components and supplies; and other schemes. She was aware that DCMA has a team of attorneys that work full time in the area of fraud remedies to help ensure that its customers receive the product that they want at a fair price. This organization is the CIC, which is organized under the DCMA General Counsel's Office.

As director, CIC, DCMA Boston, I oversee this team, which consists of a management analyst located in Boston and five other senior counsel located throughout the country: Ms. Mary Ross in Philadelphia, Pa.; Mr. Gill Bass in Atlanta, Ga.; Ms. Kay Lindbeck in St. Louis, Mo.; Mr. Joe Satagaj in Dallas, Texas; and Ms. Carol Matsunaga in Carson, Calif. This group is the DCMA point of contact for fraud remedies and acts as the liaison between investigators, prosecutors and other Department of Defense (DoD) agency counsel working towards the appropriate remedies for any report of possible fraud or other contractor irregularities. But CIC also does much more than just support these efforts.

Created in early 2000, CIC personnel know that fraud is a speed bump on the way to providing our warriors with the materials and services needed to do their jobs. As such, the CIC aggressively pursues preventative efforts such as talking with industry groups about

integrity and ethics issues, sharing best practices and ensuring that only allegations that truly indicate fraud are pursued, pushing others to completion through closure or contractual or other administrative solutions as appropriate. Recognizing, however, that fraud has occurred ever since the serpent lied to Eve, the CIC has educated DCMA personnel on indicators of fraud

through annual fraud awareness training and by publishing a quarterly newsletter, *Focus on Fraud*, which highlights current issues, reports on case results and identifies "red flags" of fraudulent activity.

The CIC currently has a caseload of over 500 active investigations and opens approximately 175 each fiscal year. When fraud is established, the CIC counsel work aggressively with investigators from DoD, the military services, some civilian agencies and U.S. Attorney's Offices throughout the country to ensure that contractors who commit fraud make restitution and are prosecuted, jailed and debarred from contracting with the government.

Visit <http://home.dcma.mil/cntr-dcmacy/newsletter.htm> to see the *Focus on Fraud* newsletters, view the sites where fraud awareness training will be conducted in the near future, find out which counsel supports your geographic area and learn about "red flags" that indicate possible fraud. Check out DCMA Instruction 4.1.3 for guidance on how to report fraud, waste and abuse, how to work with investigators and how to continue with contract management activities during a fraud investigation. Look for "FraudNet" on eTools, a quick way to report suspected fraud confidentially or anonymously.

¹ Nickname, dating back to the 1960s, for Lockheed Martin's Advanced Development Program division. Skunk Works is a registered trademark of the Lockheed Martin corporation.

Expanding Horizons for Keystone Interns



by Mr. Sam Rousso, Public Affairs Specialist, DCMA West

Keystone interns will have an opportunity to expand their horizons and knowledge under terms of an agreement between Defense Contract Management Agency West (DCMAW) and the Air Force Space and Missile Systems Center (SMC), signed on August 2, 2004.

Mr. Richard L. Zirk, DCMAW director, and Ms. Patricia Kirk-McAlpine, SMC director of contracts, signed the Memorandum of Agreement at District West Headquarters. The agreement establishes the SMC-DCMA Cooperative Exchange Program, which is intended to “foster increased understanding, learning support and knowledge management to associates from both organizations, with the ultimate goal of fostering a more efficient and effective acquisition environment,” according to its text.

The exchange program will afford DCMA’s Keystone and SMC’s Copper Cap interns a three-month opportunity to work at one



another’s agencies. Initial focus will be on contract specialists, series 1102, grades seven through 12, but the program is not necessarily limited to those series and grades.

“This is a momentous occasion,” said Ms. Kirk-McAlpine. “I am so very pleased that we recognize we’re on the same team and that we’re all here to support the warrior. I can tell you that General Arnold [SMC commander] is very, very pleased with the program and support.”

Mr. Zirk was equally enthusiastic. “This agreement will provide our interns the opportunity to



(Above - right) Mr. Richard L. Zirk, DCMAW director, signs the Cooperative Exchange Agreement as Ms. Patricia Kirk-McAlpine, SMC director of contracts, looks on.

(Bottom) From left: Keystone Interns Mr. Ron Gallagher, engineer, DCMA Phoenix; Ms. Eileen Deng, engineer, DCMA Northern California; Ms. Alma Casias, property specialist, DCMA San Antonio; Ms. Gina Collins, DCMA St. Petersburg; and Mr. Winston LaCroix, safety specialist, DCMA Atlanta.

“My intentions are to stay with this organization once I finish the program. I like DCMA’s mission and what they do.”

— Mr. Winston LaCroix, safety specialist, DCMA Atlanta

experience the other side of the contracting coin. It will help our future leaders know how our customer operates, and it will help our customer’s future leaders understand our processes and procedures. In the end, our understanding of each other will increase and so will our ability to meet each others’ needs and requirements.”

Among the attendees at the ceremony were Mr. Randy Sawlsville, DCMAW Human Resources acting director; Ms. Carlene Cooks, DCMAW director of Program Integration; Ms. Leslie Kennedy, DCMA customer liaison representative; and Air Force Col. Wilma F. Slade, DCMA West chief of staff.

Employee of the Quarter: Ms. Rajkumari Bezwada



by Ms. Donna Lopez, Human Resources Specialist, DCMA Headquarters

Congratulations, Ms. Rajkumari Bezwada, program analyst, Strategic Planning, Programming and Analysis Division FBP. Ms. Bezwada was selected as the DCMA HQ/Center Employee of the Quarter for the Third Quarter FY04. She was awarded a Director’s Coin and an On-the-Spot Cash Award for her outstanding accomplishments to the DCMA mission. Ms. Bezwada came to DCMA in November 2003 and was quickly able to comprehend the DCMA organizational structure, computer programs and operating concepts. During this last quarter, DCMA-FBP launched a number of high-visibility, labor-intensive tasks including the Program Objective Memorandum (POM) and the Base Realignment and Closure (BRAC).



Ms. Bezwada set up Knowledge Management communities of practice (CoP) for each of these programs. The CoPs for these sites had hits that exceeded tens of thousands. Ms. Bezwada’s use of innovative approaches to problem solving resulted in the Agency receiving satisfactory outcomes from the Department of Defense Inspector General’s review of our BRAC process. She far exceeded the expectations of a new employee by gaining an in-depth knowledge of her new organization and demonstrating willingness to tackle difficult assignments. Thanks for a job well done!

(Above) Ms. Rajkumari Bezwada

A Celebration of DCMA's Greatest Resource

Annual Awards Presented at Commanders' Conference



by Ms. Katherine Crawford, Staff Writer

At the DCMA Commanders' Conference in San Diego, Calif., November 17, 2004, 28 individuals and two teams from DCMA received awards for their outstanding contributions to the Agency. Maj. Gen. Darryl A. Scott, DCMA director, and Mrs. Sallie H. Flavin, DCMA deputy director, hosted the awards ceremony.

The evening was dedicated to employees and honored those who have demonstrated outstanding technical expertise and dedication to customer service, thereby helping DCMA to be a leader in acquisition excellence. In the words of Maj. Gen. Scott, "As DCMA continues to enable the Warriors to win, let us not forget the importance and strength of our people — DCMA's greatest resource...this [is a] celebration of great people doing great things." Mrs. Flavin emphasized the importance of distinguishing those who have made exceptional contributions as a way of ensuring DCMA's future success.



She asserted, "As DCMA faces many challenges, one of the keys to our future success is actively identifying, sharing and rewarding performance that shows a commitment to our core values — *One Team of Indispensable Partners, Keeping the Promise.*"

The excellence of DCMA's employees, recognized at this ceremony, is a testament not only to their personal accomplishments but also to the strength of the Agency as a whole. Their success is an extension and a reflection of the hard work and contributions of all DCMA employees.

Outstanding DCMA Personnel of the Year Awards

• Mr. Robert J. Ascolillo Jr.

Logistics Management Specialist

DCMA Aircraft Propulsion

Operations GE Lynn

Mr. Ascolillo is a member of the F414/F404 Program Support Team for the engines that



(Above) U.S. Air Force Maj. Gen. Darryl A. Scott, U.S. Air Force.

(Bottom from left) Mr. Robert J. Ascolillo Jr., DCMA Aircraft Propulsion Operations GE Lynn; Ms. Julie A. Dail, DCMA Dallas; and Ms. Pamela Gouldsberry, DCMA Virginia.

power the Navy's F/A-18 aircraft, and from December 2003 through July 2004 he served as acting program integrator. He performed both roles exceptionally and contributed significantly toward the achievement of customer and DCMA objectives.

• **Ms. Julie A. Dail**

*Supervisory Contract Administrator
DCMA Dallas*

Ms. Dail supervises business team members at Raytheon's McKinney, Texas, office. Her proactive management techniques, strong belief in teamwork and effective leadership skills have enabled her to create a productive, efficient and harmonious team that consistently meets DCMA performance objectives and serves its many customers well.

• **Ms. Pamela Gouldsberry**

*Contract Operations Group Chief
DCMA Virginia*

From June 2003 through July 2004, Ms. Gouldsberry was instrumental to her office's achievement of many performance goals, including closing 846 "Wynne List" contracts and ensuring that over 92% of expiring funds were not canceled. She also improved DCMA Virginia's delay notice coverage from 53% to nearly 100%.

• **Mr. Kenneth R. Hammond**

*Administrative Officer
DCMA Pacific — Japan*

Mr. Hammond has made significant, long-lasting contributions to DCMA Pacific's organizational effectiveness. His most notable achievements are in the areas of human

resource management, where he developed and implemented a succession planning system; performance-based management (PBM); and the mission support office, where he designed a customer-centered, outcome-based system.

• **Mr. David D. Hulbert**

*Manager, Business and Industry
DCMA Pacific — Korea*

During a period of substantial growth, Mr. Hulbert vastly improved customer relations by developing a program that increased customer confidence and resulted in a workload growth of 80%. He has also created a PBM system that is fully integrated into efforts regarding customer relations, risk management and self-assessment.

• **Mr. Jack D. Olson**

*Attorney Advisor
DCMA St. Louis*

Mr. Olson, an attorney with significant experience in acquisition, volunteered for deployment to Iraq. As a member of the Coalition Provisional Authority's Oil-for-Food transition team, he dealt with complex contract management issues and personally negotiated the transfer of \$200 million in major electricity and telecommunications sector contracts.

• **Ms. Susan A. Ortner**

*Traffic Manager (Transportation Officer)
DCMA Orlando*

As a technical team leader, Ms. Ortner has been responsible for the team's performance and for providing technical advice, guidance and support to hundreds of Department of Defense (DoD) contracts and several buying



(From left) Mr. Kenneth R. Hammond, DCMA Pacific — Japan; Mr. David D. Hulbert, DCMA Pacific — Korea; Mr. Jack D. Olson, DCMA St. Louis; and Ms. Susan A. Ortner, DCMA Orlando.

commands. Ms. Ortner has been innovative in anticipating, planning and reacting to changes to her traditional transportation duties.

• **Mr. Don Peterson**

*Supervisory Program Analyst
PLAS Program Office, Business
Information Center*

Mr. Peterson serves as chief of the Performance Labor Accounting System (PLAS) and steward of DCMA's PLAS system, which accounts for labor by specific cost objective. Mr. Peterson and his staff have successfully predicted outcomes based on both maintenance of current workload levels and on prospective behavior-driven changes to business rules.

• **Mr. William Rosenberry**

*Quality Assurance Representative
DCMA Central Pennsylvania*

Mr. Rosenberry goes to extraordinary lengths to protect the interests of DCMA's customers. For example, when a contractor moved the location of its factory, Mr. Rosenberry eased the transition. As a result, the contractor's performance has steadily improved, complaints have dissipated and customer representatives have been highly complimentary.

• **Mr. Sammy Joe Shaw**

*Technical Lead Quality Assurance
DCMA Pacific — Japan*

Mr. Shaw is responsible for each aircraft that leaves the contractor's facility. He has overseen quality assurance on more than 13,450 individual, over-and-above maintenance actions, achieving a cost avoidance for the

customer exceeding \$620,000. He has also led the execution of over 2,500 quality audits.

• **Ms. Pam Tsusaki**

*Secretary
DCMA Chicago*

Ms. Tsusaki is secretary to the deputy commander and the CMO contact for human resources, public affairs, the health benefits fair and awards programs. She is also president of the social committee and a recurring keyperson for the Combined Federal Campaign and Federal Executive Board's Employee of the Year program.

• **Ms. Betty Wilson**

*Program Analyst
DCMA West — FBL*

Ms. Wilson is team lead for the daily operations of payroll and accounting. She was a key participant in the development of the DCMA Automated Time Attendance and Production System Graphical User Interface Concept of Operation and proactively planned and successfully implemented the system for live operation throughout DCMA West.

**Herbert W. Homer Team
Performance Award**

The Annual Herbert W. Homer Team Performance Award is presented in honor of Mr. Homer, who died aboard United Flight 175 at the World Trade Center on September 11, 2001. Throughout his entire career at DCMA, Mr. Homer was dedicated to improving efficiency, lowering costs and providing outstanding customer service. The DCMA team selected for this award exemplifies these high standards.



(From left) Mr. Don Peterson, PLAS Program Office, Business Information Center; Mr. William Rosenberry, DCMA Central Pennsylvania; Mr. Sammy Joe Shaw, DCMA Pacific — Japan; Ms. Pam Tsusaki, DCMA Chicago; Ms. Betty Wilson, DCMA West — FBL.



DCMA Pacific developed a PBM system with an infrastructure focused on customer and organization mission analysis; outcome assessment and evaluation; and PBM actions. The hardworking DCMA Pacific team is continually refining the system to better support the needs of its customers. Its efforts significantly improved customer relations, outcomes and measures.

*Performance-Based Management Team,
DCMA Pacific*

DCMA Team Performance Award

Ms. Rhonda Miller	Ms. Susan Hogge
Ms. Lonnie	Mr. Larry Pigg
Klinkenberg	Ms. Terry Firmani
Ms. JoAnn	Ms. Susan Etienne
DeOcampo	Ms. Jeni Chung
Mr. Rudy Valdez	Cmdr. Brian Fazzone,
Mr. Kenneth	U.S. Navy
Hammond	Mr. Bill Pearson
Lt. Col. David	Mr. David Hulbert
Bethany,	Lt. Col. Stan
U.S. Air Force	VanderWerf,
Senior Master Sgt.	U.S. Air Force
Seth McKeel,	Capt. Jason Voorheis,
U.S. Air Force	U.S. Air Force
Senior Master Sgt.	Ms. Young Chong
Joseph Beal,	Mr. John Hipple
U.S. Air Force	Mr. Terry Jarvis
Ms. Ana Brucelas	Mr. Haskel Ward
Capt. Gary Wellman,	Mr. Richard
U.S. Air Force	Chumbley
Ms. Margo Bell	Mr. Sam Shaw
Lt. Col. Dempsey	Mr. Hon Mu Pak
Hackett,	Mr. Grant Walker
U.S. Air Force	Mr. Randolph Kami
Mr. Michael Harsha	

This team's objective was to combine the efforts of DCMA and Northrop Grumman to develop sub-processes that would be required to closeout

contracts. Working with personnel from both organizations, the team used lean techniques on the closeout process to eliminate redundancy and duplication. The process is used for the duration of a contract, beginning with a contract award and ending when the contract is removed from Mechanization of Contract Administration Services (MOCAS), Section 9. The team's efforts resulted in a cohesive group of government and industry personnel from various functional specialties and improved closeout timeliness, from 20% to 100%. Successful practices have been exported to other Northrop Grumman sites and to DCMA.

*Contract Closeout/Canceling Funds Team,
DCMA Northrop Grumman Melbourne*

Ms. Amanda	Mr. Ralph Houseman
McKeever	Mr. Scott Souliere
Ms. Diana Cameron	Mr. James Smelser

*Industry Team Members, DCMA Northrop
Grumman Melbourne*

Mr. Art Hudson	Mr. George Zoll
Mr. Jack Lynch	Mr. Tony Alenci
Mr. Robert	Ms. Donah Morgan
Konczynski	Ms. Susan Schulz

*Industry Team Members, DCMA Northrop
Grumman Ohio*

Ms. Jan Wilhelm	Ms. Judy Warner
Ms. Alice Halvorsen	

*Electronic Systems Center, DCMA Northrop
Grumman Ohio*

Ms. Gloria Bunnell	Ms. Mary Cannon
Ms. Rita Jones	Mr. Brian Humphrey
Ms. Deborah Bailey	Ms. Sheryl Smith
Ms. Deborah Miller-	Ms. Sue Leeney
Caldwell	Mr. Ken Frische
Ms. Debra Green	Mr. John Thomson
Mr. Rick Worrall	Mr. Bob Gustavson

(Above - from left) Members of DCMA Pacific's Performance-Based Management Team: Mr. Randolph Kami, Lt. Col. David Bethany, Ms. Rhonda Miller, Mr. Larry Pigg, Cmdr. Brian Fazzone, Lt. Col. Dempsey Hackett and Lt. Col. Stan VanderWerf.



DCMA EEO Activity of the Year

DCMA East

Accepting the award for DCMA East was Ms. Kimberly Appleton, EEO director, DCMA District East.

DCMA East has demonstrated outstanding performance in support of the DCMA Equal Employment Opportunity (EEO) Program's objectives. DCMA East implemented a plan to revitalize the Special Emphasis Program (SEP), an integral part of the EEO Program throughout the District. The EEO Office solicited nominations from the field for individuals to serve as special emphasis program coordinators (SEPCs) and provided posters and resource information to field offices in support of SEP recognition events. The recruiting effort resulted in 60 individuals being designated as SEPCs. DCMA East continues to support the Workforce Recruitment Program's efforts to hire college students with disabilities.

Outstanding DCMA Employee with Disabilities

Ms. Kimberly Ann Burks

*Management Support Office Clerk/Receptionist
DCMA Lockheed Martin Fort Worth*

Ms. Burks has been an inspiration to all who work with her. Despite her physical challenges, she takes on new responsibilities without hesitation and

with an eagerness to learn. Ms. Burks goes well beyond what is expected of her, which is indicative of her courage and initiative. She is a type of goodwill ambassador and has touched many lives with her caring attitude and desire to achieve.

Achievement in Equal Employment Opportunity by a Non-Line Manager

Ms. La Tanya Kelley

*Quality Assurance Specialist
DCMA Lockheed Martin Fort Worth*

Ms. Kelley's expertise, proactive attitude and outstanding performances as a quality assurance specialist and president of both the Federal Women's Program Council and Federally Employed Women's Council have significantly improved the EEO arena. Her commitment to achieve the goals of the EEO Affirmative Action Plan by fully integrating the workforce and her involvement with the EEO Council have resulted in greater involvement and better understanding for all groups concerned.

Achievement in Equal Employment by a Line Manager

*Col. Eric C. Weber, U.S. Marine Corps
Commander*

DCMA Boeing St. Louis

Under Col. Weber's leadership, DCMA Boeing St. Louis substantially increased the visibility of its



(Above) Members of DCMA Northrop Grumman Melbourne Contract Closeout/Canceling Funds Team.
(Bottom from left) Ms. Kimberly Appleton, accepting the EEO Activity of the Year award on behalf of DCMA District East; Ms. Kimberly Ann Burks, DCMA Lockheed Martin Fort Worth; and Ms. La Tanya Kelley, DCMA Lockheed Martin Fort Worth.

EEOs by increasing minority representation by 5% and entering into a student career experience program (SCEP) agreement with an Historically Black College and University (HBCU). This is the only such agreement in DCMA West. Col. Weber's actions have ensured that DCMA Boeing St. Louis' efforts with HBCUs are institutionalized and will remain in place well into the future.

DCMA Heritage Awards

In August 2003, a new recognition program, the DCMA Core Values, Coat of Arms and Heritage Awards, was launched. This program was designed for Mrs. Flavin and her fellow deputies to recognize those personnel who demonstrate commitment to DCMA's core values of *One Team of Indispensable Partners — Keeping the Promise*.

There are three award levels: the first is the three-part Core Value Award, which recognizes exceptional performance in single contributions that display a commitment to one of the Agency's core values. The second level, Coat of Arms, is presented to high performing individuals who have received all three Core Value Awards. The third award level is named the Heritage Award and is given annually to the "best of the best" from all Coat of Arms recipients. Heritage Award winners represent the highest level of proven commitment and performance results to DCMA core values.

• Mr. Cornelius Bryant

*Traffic Management Specialist
DCMA Dallas GBF*

Mr. Bryant exemplifies DCMA's Core Values of *Indispensable Partner* and *Keeping the Promise* through demonstrating a strong commitment to customers by continuing to "move the freight."

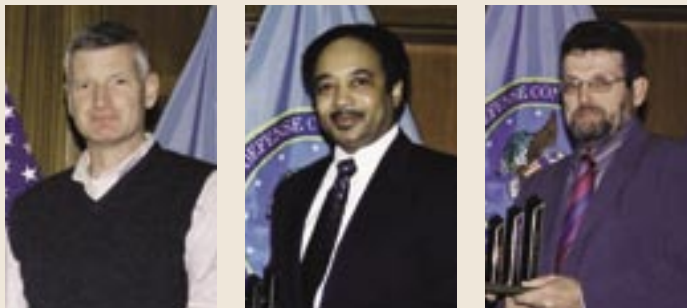
On a regular basis, contractors and customers seek his help in expediting important shipments. He has increased customer loyalty and developed innovative opportunities to speed contractor deliveries. Mr. Bryant consistently seeks excellence in routing and processing important military shipments. He is very much a team player who unremittably fosters extraordinary customer support and inspires others by his examples of excellence.

• Mr. Kenneth Underwood

*Program Integrator
DCMA Northrop Grumman Baltimore*

Mr. Underwood has done exceptional work on the Future Combat System (FCS) Aerial Sensor Integrator Team, which was formed to prepare for and execute an FCS resource review. In addition, as program integrator on the Comanche Program, Mr. Underwood developed, at the customer's request, a process to notify the program manager of cost impacts due to rate changes. This is indicative of his constant efforts to go the extra mile in support of his customers. He is always out front, leading and developing processes in his pursuit of better serving his customers.

The annual Employee Recognition Program affords DCMA the opportunity to both recognize the impressive achievements of its employees and illustrate examples of the types of leadership that will ensure the Agency's success. DCMA is extremely proud to have such outstanding personnel as members of the DCMA community. These employees exemplify DCMA's commitment to enable its people to excel.



(From left) Col. Eric C. Weber, DCMA Boeing St. Louis; Mr. Cornelius Bryant, DCMA Dallas GBF; and Mr. Kenneth Underwood, DCMA Northrop Grumman Baltimore.

The Transformation Leadership Awards

In conjunction with the Employee Recognition Program, four Transformation Leadership Awards were presented to honor those members of DCMA whose innovative and strong management resulted in particularly outstanding results. Mr. Brian Malloy, Ms. Leslie Gregg, Mr. Charles McAleer and Mr. William Ennis received awards consisting of a plaque and certificate, which were signed by Mrs. Flavin.

• **Mr. Brian Malloy**

Director

DCMA Twin Cities

As director, DCMA Twin Cities, Mr. Malloy made significant contributions in leading District and Agency transformation initiatives. His visionary leadership skills coupled with his contract management expertise made him the perfect candidate to lead the District's resource allocation pillar team. As a result, the District's business practices were transformed, ensuring the most efficient, effective method of realigning rapidly declining financial and staffing resources to better meet the needs of the Nation's 21st-century warfighting capabilities.

• **Ms. Leslie A. Gregg**

Deputy Director

DCMA West

As deputy director, DCMA West, Ms. Gregg distinguished herself as an inspirational leader whose bold innovation and strategic vision drove change. She developed and implemented a leadership program whose tremendous success led to its deployment Agency-wide. As a direct result of her outstanding leadership and strategic thinking, DCMA has earned and

maintained a reputation for excellence that is recognized throughout the DoD. Her untiring efforts have also made major contributions toward the success of her customers.

• **Mr. Charles S. McAleer**

Deputy Commander

DCMA Boeing Philadelphia

Mr. McAleer was recognized for his significant contributions in the establishment of outcome-based support agreements with customers. His outstanding leadership and dedication to the cultural transformation of DCMA Boeing Philadelphia achieved unprecedented results for program support of four ACAT 1 programs and established the benchmark for outcome-based actions for the entire Agency. Mr. McAleer's steady leadership drove organizational alignment with customers, and his successful practices were adopted by many other CMOs throughout DCMA.

• **Mr. William V. Ennis**

Director

DCMA Industrial Analysis Center

In his position as a nationally-recognized expert in defense industrial base capability/surge analyses, Mr. Ennis has made exceptionally noteworthy contributions to ensuring the U.S. industrial base is robust, competitive and technologically current. He has brought great leadership and innovation to his role as director, DCMA Industrial Analysis Center. His outreach efforts in support of the Defense critical infrastructure program and early warning system have received national acclaim.



(From left) Mr. Brian Malloy, director, DCMA Twin Cities; Ms. Leslie A. Gregg, former deputy director, DCMA West; Mr. Charles S. McAleer, deputy commander, DCMA Boeing Philadelphia; and Mr. William V. Ennis, director, DCMA Industrial Analysis Center.

Col. Mills and Lt. Col. Pellicci Win Army Honors

by Ms. Katherine Crawford, Staff Writer



At the 2004 Army Acquisition Corps Annual Awards Ceremony, held on October 24, 2004, both Lt. Col. Jack Pellicci Jr. and Col. Ainsworth B. (Andy) Mills of Defense Contract Management Agency (DCMA) received awards for their outstanding contributions to the acquisition community.

The award ceremony was held at the Crystal Gateway Marriott in Arlington, Va., to honor the accomplishments of the acquisition workforce's most extraordinary members and the teams they lead. The ceremony's theme, "Celebrating Our Acquisition Stars," was a fitting tribute to the uniformed and civilian professionals who work tirelessly behind the scenes in support of global combat missions. Maj. Gen. Darryl A. Scott, DCMA director, was among the dignitaries on stage.



Lt. Col. Pellicci, DCMA New York commander, was a winner of the 2004 Acquisition Commander of the Year award at the Lt. Col./GS-14 level. His command is directly responsible for all aspects of life-cycle support services to more than 200 Department of Defense (DoD) contractors with 2,500 contracts valued in excess of \$2.2 billion. Lt.

Col. Pellicci also deploys and leads military and civilian teams to manage Logistics Civil Augmentation Program (LOGCAP) support worldwide during contingency operations. Lt. Col. Pellicci has restructured his command into a more streamlined organization, focusing greater efforts and resources on improving customer satisfaction and response time. In addition, he has skillfully cross-trained and positioned the majority of his workforce into more direct customer support roles.

In his acceptance speech, Lt. Col. Pellicci was sincere and concise. He simply stated that he stood on the stage "humbled and proud" of his award, which he then accepted "on behalf of the 11,000 people at DCMA."

Shortly thereafter, Col. Mills received an award for 2004 Acquisition Commander of the Year at the Col./GS-15 level. Col. Mills recently returned to his position as commander, DCMA Philadelphia, which he has held since July 2003, after serving as commander, DCMA Iraq from April - October of 2004.

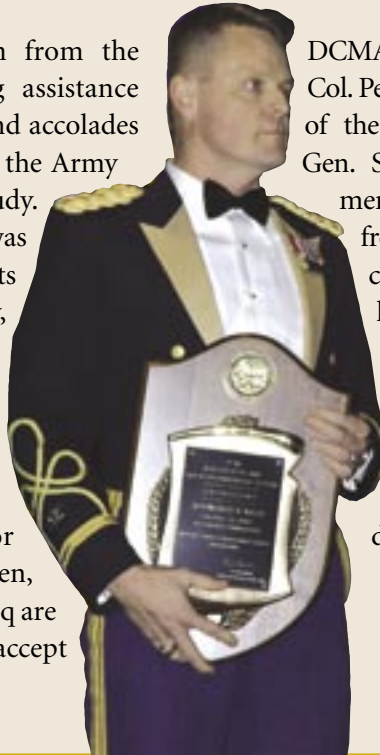
His command in Philadelphia includes 346 civilian and military acquisition professionals responsible for managing combat system acquisition cost, on-time delivery and technical performance of major end items on more than 16,000 contracts valued at nearly \$10 billion. As a result of his leadership, DCMA

(Above) The 2004 Army Acquisition Corps award winners with dignitaries, including the Honorable Claude M. Bolton Jr., assistant secretary of the Army for AL&T, and Maj. Gen. Scott, DCMA director.

(Left) Lt. Col. Pellicci with his award for Acquisition Commander of the Year.

Philadelphia received recognition from the secretary of Defense for pricing assistance under the Oil for Food program and accolades for work performed in support of the Army Transformation Industrial Base Study. While deployed in Iraq, Col. Mills was responsible for overseeing contracts for base camp operations, security, linguistics, the rebuilding of the oil infrastructure and the Iraqi Broadcasting System.

Upon receiving his award, Col. Mills thanked the committee for the honor and then stated, "The men, women, military and civilians in Iraq are doing an outstanding job, and I accept this on their behalf."



DCMA is honored to have both Lt. Col. Pellicci and Col. Mills as members of the DCMA community. As Maj. Gen. Scott commented, "These two men were selected for awards from a group of outstanding candidates. Their contributions have increased DCMA's position as the 'indispensable partner' to our customers and bolstered our mission to provide combat support for today's soldiers. Their initiatives are making a difference, every day."

Join the DCMA Emergency-Essential Team and Deploy to Make a Difference

by Ms. Katherine Crawford, Staff Writer

Be part of our team

The Defense Contract Management Agency (DCMA) is currently hiring experienced contracting and acquisition professionals for approximately 200 permanent emergency-essential (E-E) positions. These positions

are located at DCMA contract management offices throughout the continental U.S. and all require periodic deployment overseas. Available positions include quality assurance specialists, administrative contracting officers, property administrators and industrial specialists.

A unique experience

DCMA employees in E-E positions have the opportunity to provide a unique service to our country through challenging assignments that further sharpen their critical thinking and decision-making skills.

(Above) Col. Mills with his award for 2004 Acquisition Commander of the Year.

(Left) Left to right: At Camp Arifjan in Kuwait, Lt. Col. Thomas E. Mikolinis, senior director, Camp Arifjan UAR Facility Engineer Group, Directorate Public Works; Mr. Thomas Zubel, DCMA warranted contracting officer; and Mr. Wilbur Wolfe, DCMA quality assurance representative.





Once on board, E-E employees will take steps to prepare for contingency assignments overseas. First, they will attend a weeklong DCMA Basic Contingency Operations Training (BCOT) session, currently held at Fort Bliss, Texas.

Application and employment requirements

DCMA is targeting civilians and former military members eligible for the Veterans Employment Opportunity Act (VEOA) who have experience in quality assurance, contract administration, property administration or industrial specialization. It is important to note that anyone who applies for and is selected for one of these E-E positions may *deploy within 90 days of being hired*.

sign mobilization agreements and pass physical examinations as conditions of employment.

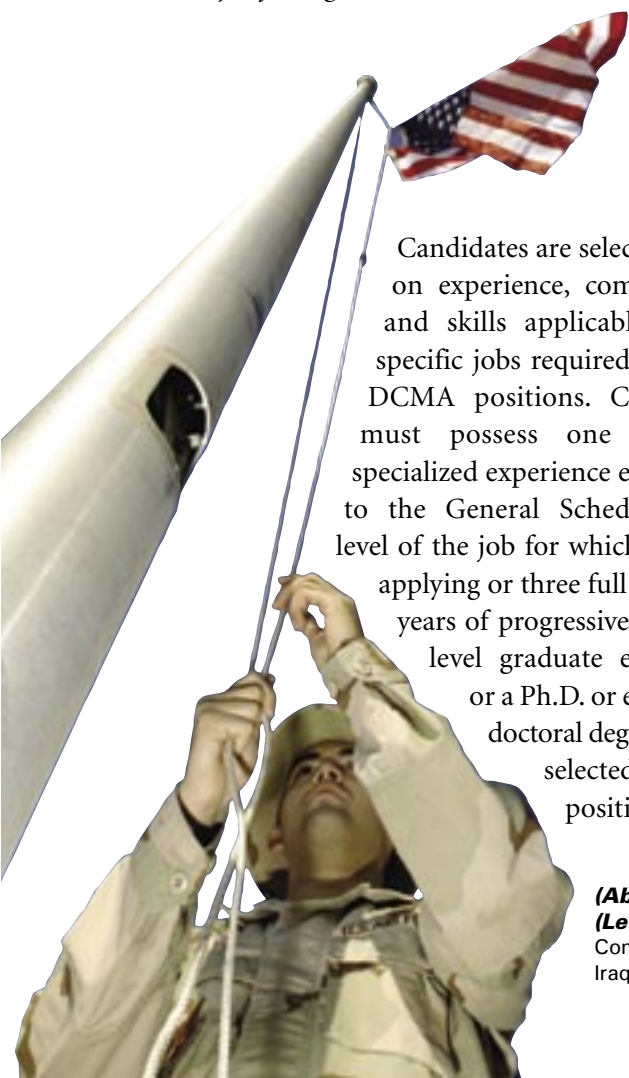
Outstanding compensation and benefits

Deployments typically last 179 days, and E-E employees will often be required to work long hours. However, E-E positions offer great experience, specialized training and the chance to support U.S. efforts overseas. In addition, E-E members receive *temporary promotions* (a one-grade increase) for the periods of deployment, subject to meeting the qualifications requirements for time-in-grade at current grade. E-E employees are also eligible for benefits, including health and life insurance, paid federal holidays, overtime pay, sick and annual leave accrual, retirement benefits through the Federal Employees Retirement System and Thrift Savings Plan and, depending upon where deployed, danger pay and foreign post differential (as established by the U.S. Department of State).

Join a winning team and serve your country — apply now

E-E positions offer DCMA employees the opportunity to grow both personally and professionally while providing a unique service to DCMA and its vast network of customers, our warriors in the military services.

For more information about E-E positions, contact the DCMA Service Team at (614) 692-6122 or e-mail: CSO-DCMA@hr.dla.mil. E-E vacancies are posted on both the DCMA Web site: http://www.dcma.mil/DCMAHQ/dcma-hr/e-e_jobs.htm and on the Defense Logistics Agency Human Resources Web site: <http://www.hr.dla.mil/onjams/searchform.asp>.



Candidates are selected based on experience, competencies and skills applicable to the specific jobs required for these DCMA positions. Candidates must possess one year of specialized experience equivalent to the General Schedule (GS) level of the job for which they are applying or three full academic years of progressively higher-level graduate education; or a Ph.D. or equivalent doctoral degree. Those selected for these positions must

(Above) U.S. Air Force Lt. Col. Charles E. Jones Jr. at DCMA Kuwait.

(Left) Staff Sgt. David Colvin from the 447th Expeditionary Communications Squadron raises the flag at Baghdad International Airport, Iraq. (Photo by Air Force Staff Sgt. Verlin Levi Collins.)

A Steel of a Deal at Camp Anaconda



by Maj. Scott Meehan, U.S. Army, Project Manager,
DCMA Lockheed Martin Orlando

Camp Anaconda, Iraq

I had always known that contingency contracting was going to present challenges, but I was not quite ready for the initiation I received at Camp Anaconda, Iraq. Once there, I inherited approximately 50 open contracts from my predecessor. In addition, there were a dozen new contracts that were assigned to me on my first day. I remember wondering out loud, “Where do I begin?”

There were various tasks set before me that needed immediate attention, and I began the methodical process of organizing everything. At the same time, I needed to meet with new customers, soldiers and officers as well as contractors and vendors, most of whom were Iraqi citizens. For each contract, I identified the greatest need and then matched those demands with the vendors who could best fulfill the needs

through the current bidding process. Initially, this method was slow going, but then I developed a Web site that listed all of my bids.

With all of my bids organized in order of submission, discounting any extenuating circumstances, I made force protection my first priority, as did many other contracting officers. I was particularly interested in getting the military escort Humvees outfitted with better armor. The situation in Iraq involves asymmetric warfare, which makes transporting supplies throughout the country in the ongoing effort to rebuild Iraq extremely hazardous. The Iraqi vendors are often hampered in their efforts to conduct business due to threats on their lives. Thus, traveling between their places of business in Baghdad and our logistical base at Camp Anaconda posed a dangerous proposition. The

primary mode of transportation for the escorts was the Humvee. None of the Humvees had armored protection for our soldiers and the Department of Defense (DoD) was still testing a variety of steel for approval.

One day while organizing and initiating contracts, a captain came by to tell me excitedly that he had found a local vendor who could cut steel doors for the Humvees. “Great,” I said. “Have you





tested the steel to see if it will stop ballistics?”

“Tested?” he replied with a puzzled look.

“Yes, you know, shoot it with real bullets to see if it will protect you and your soldiers.”

“Well, no sir, we didn’t do that, but it’s got to be better than what we have.”

“O.K.,” I said, “Let’s do this. Have him cut a piece of steel, one foot by one foot, take it down range about 20-25 meters and ‘fire it up’ with 5.56, 7.62 and 9 mm rounds. Bring me back the results. If it stops bullets, I’ll have the guy sign a contract.”

A couple of days went by before the captain brought back the piece of steel...full of holes. “Sir, this steel won’t work for us.”

“Yes, I see,” I said. “I am asking all the local vendors who work with steel to submit a one-foot-by-one foot sample of their products. Would you be willing to test them once I receive them?”

“Most definitely,” he replied.

Shortly thereafter we found what we needed. Mr. Al Bashir’s product was 6 mm thick, and at a 20-meter distance it stopped all of the above-

mentioned rounds with few to no indentation marks. I was not only impressed by these results but was even more impressed with the price. Mr. Bashir would fit an entire Humvee with four doors, four bottom plates on the floor and four plates on the back for a fraction of what I had expected.

During my seven months in Iraq, I signed at least a dozen contracts with Mr. Bashir to fit more than 3,000 vehicles in northern Iraq with protective, armored steel plates. Many of the “battle captains” would later testify that their soldiers were saved from improvised explosive devices (IEDs) and other rounds because of this added protective measure. Frequent post-testing was conducted to ensure honesty and integrity.

When my time was over in northern Iraq and I handed over my responsibilities to my replacement, I assured the soldiers and Mr. Bashir that these services would continue.

Our nation owes a great deal of gratitude to those Iraqi citizens who have risked their lives to provide the products that have saved our lives as well as those of countless soldiers performing their daily missions.

(Above) Iraqi contractors installing the armored plates onto the Humvees.
(Opposite) Maj. Meehan standing in front of his former contracting office.

Successful CCAS Deployment Needs Stay-Behind Support

by Mr. David Wilson, Industrial Specialist, DCMA Bell Helicopter, Fort Worth

Participating in a Contingency Contract Administration Services (CCAS) deployment is the most rewarding experience that a Defense Contract Management Agency (DCMA) employee will have in his or her career. Such an opportunity offers the privilege of sustaining the primary mission and purpose of DCMA, which is to support the men and women in our military. As participants in the CCAS environment, we can meet face-to-face with the military personnel in a hostile environment. However, no deployment is successful without the full support of the employees who remain in the contract management offices (CMOs) and keep the daily operations running smoothly.

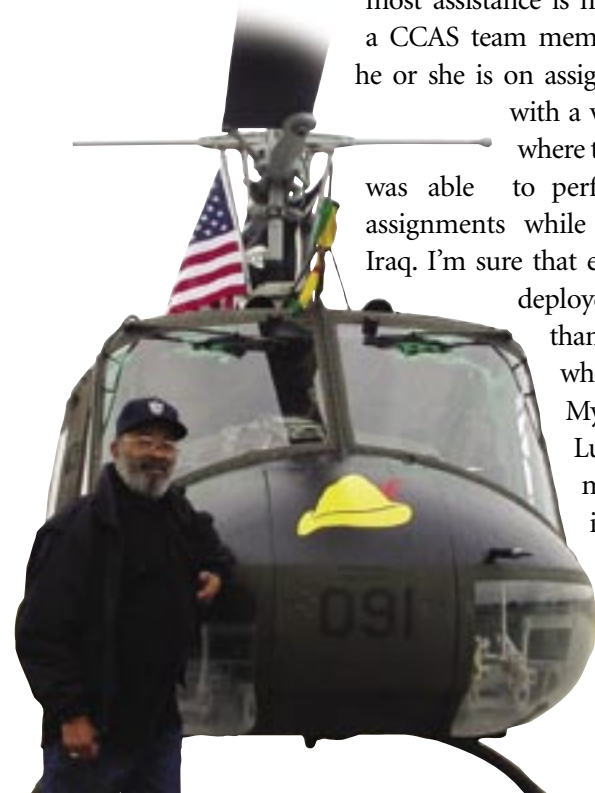
CCAS team members deploy from their CMOs for 179 days or longer, so it takes the support of these home offices to successfully accomplish the CCAS mission. The area of impact where the most assistance is needed is in assuming a CCAS team member's workload while he or she is on assignment. I was blessed with a very supportive CMO where the talented workforce was able to perform mission-critical assignments while I was deployed to Iraq. I'm sure that every person who has deployed has someone to thank for doing the work while he or she was away. My someone was Mr. Luther Stanton. Like me, Mr. Stanton is an industrial specialist. He did an excellent

job of handling my duties, maintaining correspondence with our customers and keeping me informed of activities associated with the U.S. Marine Corps H-1 Helicopter Upgrade Program, which involves replacing the current two-bladed rotor system on the UH-1N and AH-1W aircraft with a new, four-bladed, all composite rotor system and state-of-the-art cockpit.

Every CMO would benefit from an employee like Mr. Stanton who epitomizes the meaning of "team player." He has established excellent communications with each of his associates as well as versatily performed the services that DCMA provides to our warriors. Mr. Stanton's flexibility is exhibited in his range of experience in both the H-1 program and the OH-58D (Kiowa Warrior Helicopter) program. He is currently working full time on the OH-58D program, which involves providing products to our soldiers deployed to Iraq.

Not only did Mr. Stanton assist me while I was away, but when I returned from DCMA Iraq to DCMA Bell Helicopter, he facilitated a smooth transition for me. Mr. Stanton is not alone in supporting those who are deployed. Each level of our command, including U.S. Marine Corps Commanding Officer Col. Robert Joslin, Deputy Mr. Bill Cecil and Team Supervisor Ms. Kerri Pennington, is to be commended for making this experience a success. CCAS epitomizes the meaning of "team," and the strongest link in this team success is the support of the CMO.

(Left) Mr. Luther Stanton stands next to a Marine Corps UH-1 Helicopter at DCMA Bell Helicopter, Fort Worth, Texas. (Photo submitted by Ty A. Helton.)



Strategic Planning Helps Meet Customer Outcomes



by Mr. Terry Jones, Staff Writer

Like most federal agencies, the Defense Contract Management Agency (DCMA) has employed a planning process for many years. Taking both the president's management agenda and the Department of Defense (DoD) transformation initiative to heart, the Agency has penned the slogan, "DCMA is your Indispensable Acquisition Partner." To back this statement, Agency leaders have reconfigured a cutting-edge planning process that uses the tenets of performance-based management (PBM) and delegated responsibility for accomplishing a piece of the plan to each of its 11,400 employees.



The planning process is driving DCMA's goal to transform itself into a performance-based Agency with the aim of continually improving customer service.

It is the method DCMA leaders are using to communicate their expectations to the people at the Agency's 900 offices worldwide and to receive their feedback in the form of performance or execution plans based on expected customer outcomes. "It is the top-down, bottom-up aspect of it that makes it a communications document," said Mr. Jim Russell, DCMA executive director, Financial and Business Operations/Comptroller.

By 2006, everyone in the Agency will have a personal performance plan for achieving customer outcomes that will be tied into the overall DCMA plan. This interconnectivity is one of the features that makes the DCMA planning process so cutting edge. To ensure that all plans succeed, DCMA has four overarching strategic goals:

By 2006, everyone in the Agency will have a personal performance plan for achieving customer outcomes that will be tied into the overall DCMA plan. This interconnectivity is one of the features that makes the DCMA planning process so cutting edge.

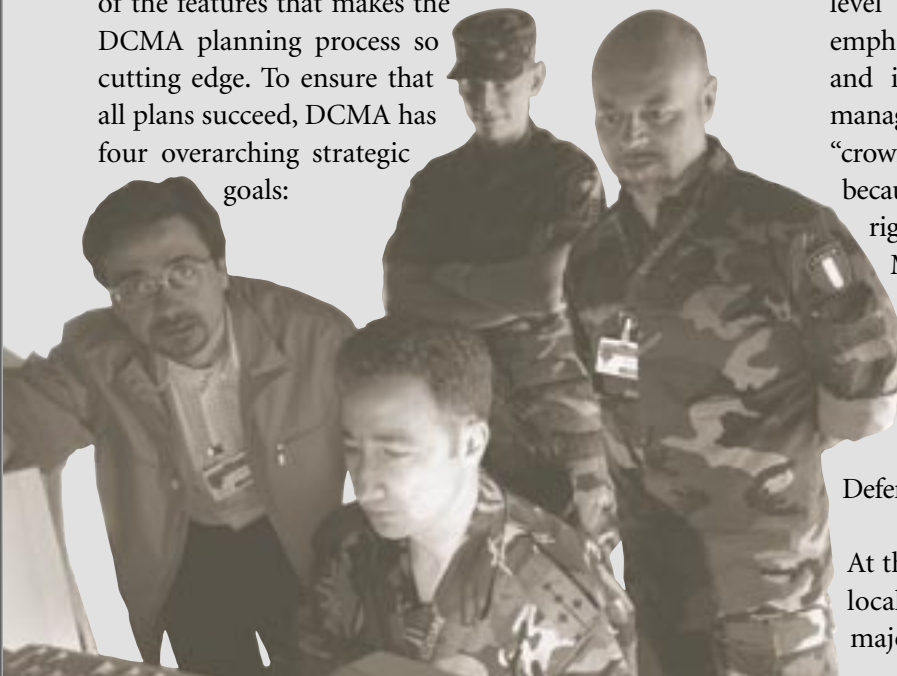
- Deliver great customer care
- Enable its people to excel
- Use excellent business processes
- Be financially prudent

Mr. Russell said it would really be a surprise to him if there was even one DCMA employee who didn't play a part in one of these four goals. "An administrative contracting officer, for example, has a tremendous amount to do with business processes and customer satisfaction."

The Planning Process Works Like a Pyramid

Out of necessity, the DCMA planning process works like a pyramid and conforms to the three phases of the DoD Planning, Programming and Budgeting System (PPBS) and the Department's six-year planning cycle. At the top of the pyramid, the Agency has its "crown jewels" – priority customer outcomes for high-level customers that are being emphasized by the Headquarters and implemented at the contract management offices (CMOs). The "crown jewels" are also important because they are indicative of "the right thing to do," according to Mr. Russell. The Agency has an important and impartial role as a steward of public trust, and this role is carried out by DCMA staffers, the "eyes and ears" of the customers in the Defense plants.

At the base of the pyramid are the local-level offices where the vast majority of customer performance



(Above) Italian Contractor Guseppi Carucci, U.S. Air Force Staff Sgt. Jason Bryant, Italian Warrant Officer 3 Sandro Venazangeli and Bulgarian Capt. Stanislav Stoychev worked on encrypted certificates and signature blocks for secure e-mail at Combined Endeavor 2004, Camp Sarafovo, Bulgaria. Combined Endeavor 2004 was a U.S. European Command-sponsored exercise designed to identify and document command, control, communications and computer (C4) interoperability between NATO and Partnership for Peace nations. Representatives from 41 countries and NATO took part in the exercise. (U.S. Air Force photo by Staff Sgt. Karen Z. Silcott).

A majority of the DCMA field activities have already achieved success by engaging their staff in the planning process and incorporating PBM to drive individual and team behavior.

is accomplished. “The ‘crown jewels’ are the things the Agency really wants to track with its metrics, but customer performance is better tracked at the local level,” Mr. Russell said, and the DCMA planning process is designed to do just that. It is the framework for the pyramid, a template for executing goals at the local level and measuring how they feed into DCMA’s overall success, and the process is continuously being updated as it projects three to five years out.

DCMA’s Senior Leader Team developed the plan and guidance this fall for fiscal years 2006 and out. Meanwhile, the CMOs began implementing their 2005 execution plans on October 1, 2004. In the spring of 2005, Headquarters planners will bring in CMO staff to discuss the Agency plan for 2006. Field representatives will then return home to prepare their execution plans, and early in the summer of 2005, CMO staff will negotiate their budgets and performance targets with managers at the three District offices. October 1, 2005, marks the beginning of the 2006 execution phase, and then the cycle repeats itself.

DCMA Pacific Has Practiced PBM for Two Years

A majority of the DCMA field activities have already achieved success by engaging their staff in the planning process and incorporating PBM to drive individual and team behavior. DCMA Pacific, under the command of U.S. Air Force Col. Philip B. Chilson, is an excellent case in point. DCMA Pacific is a CMO with a presence extending over 35 percent of the world’s surface. From a headquarters at Naval Air Station Atsugi, Japan, Col. Chilson leads elements from a multitude of countries, including Singapore, Malaysia, Australia and Korea. The predominant nature of the CMO business is aircraft programmed depot maintenance.

DCMA Pacific has been working on PBM since October 2002 and has published a pamphlet to help other DCMA offices successfully implement the system. According to Col. Chilson, one of the greatest challenges to implementing PBM was “simply overcoming the organizational inertia to get started.” He also said the preoccupation with developing the perfect set of customer outcomes and performance measures as a necessary precursor to implementing PBM just delays the start of becoming performance based.

This latter view drove CMO leaders to the central theme of their PBM approach — outcomes and performance measures evolve over time. The key, according to Col. Chilson, is to have a disciplined approach for engaging with customers, understanding their needs and addressing their priorities. The PBM system must be engineered into everyone’s daily routines; it is not an adjunct system but one that must be integrated into the managerial planning and implementation approach that drives the organization. The entire CMO planning and performance system is now founded on the following PBM principles.

- **Customer and Organizational Mission Analysis**

The CMO staff developed a transformation management plan early in the process to help them focus on their customers and analyze how they could better perform their internal institutional requirements.

The DCMA planning process allows Agency leaders to manage and communicate effectively with the field because it is a structured, repeatable and disciplined way to identify and deal with future challenges.

• Outcome Performance Assessment and Evaluation

Once the DCMA Pacific team established the desired outcomes for customer and institutional requirements, it then built in performance measures. For each performance measure, the team created rating criteria that indicated whether performance was positively or negatively influencing the achievement of outcomes. Then a Web-based management control panel for assessing and evaluating their outcome performances on a continuous basis was created.

• Performance-Based Management Action

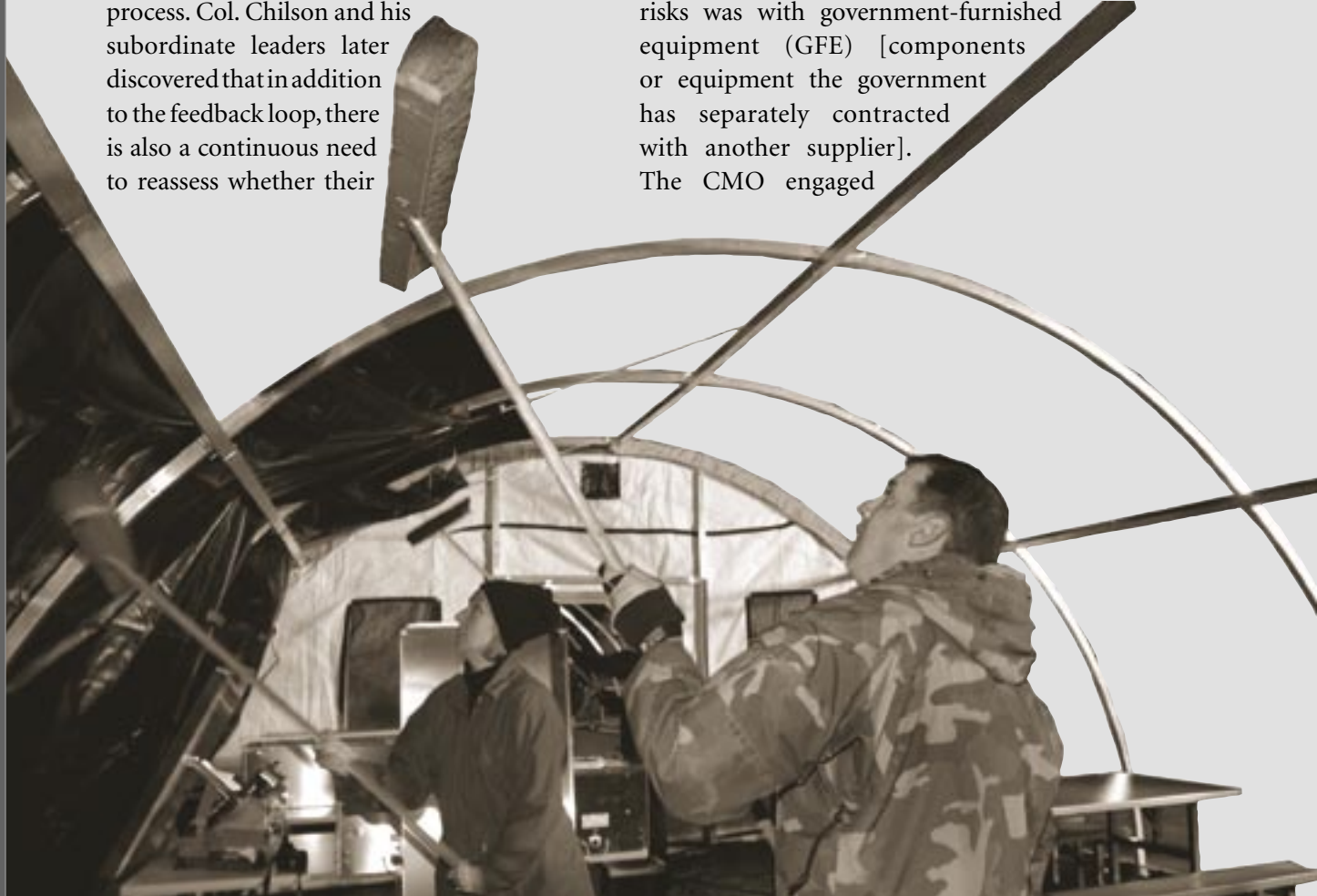
Col. Chilson said he realized that he must have a way of acting on data coming in from the assessment and evaluation processes. The answer was to create a feedback loop between the three elements of their PBM system to ensure that it was a never-ending evolutionary process. Col. Chilson and his subordinate leaders later discovered that in addition to the feedback loop, there is also a continuous need to reassess whether their

outcomes and performance measures are still valid, given the latest performance feedback. Refinements are continuously being made.

The V-22 Osprey Program Makes the Case for Customer Outcomes

DCMA Boeing Philadelphia's V-22 Osprey Program is another good example of how customers benefit as DCMA incorporates PBM into its planning and execution processes. (The V-22 is a tilt rotor vertical/short takeoff and landing multi-mission aircraft.) Customer outcomes are addressed in an analytical and structured manner with a path created to achieve them.

One of the program manager's (PM) outcomes is to deliver a set number of aircraft during each calendar year. After conducting a critical path analysis on the schedule, PMs determined that one of the greatest schedule risks was with government-furnished equipment (GFE) [components or equipment the government has separately contracted with another supplier]. The CMO engaged



(Above) U.S. Air Force's Staff Sgt. Leah Hebert and Senior Master Sgt. Russ Sittenauer, both from the 435th Materiel Maintenance Squadron, use brooms to push up the fly sheet as Luxembourg Nationals pull on the guy line in putting together the dining facility tent during a training exercise, Nov. 3, 2004. The Luxembourg Nationals are contractors of Camp Militaire Warehouse Services Agency, which is located in Sanem, Luxembourg. (U.S. Air Force photo by Senior Airman Desiree N. Palacios.)

“Coming out of the DCMA transformation will be a group of people who are given the freedom to arrive at solutions for their customers that are real time and that cut across functional areas.”

with the PM and agreed to coordinate with the DCMA network of specialists to manage the GFE contracts and specifically track delivery status of critical GFE components. The CMO also established an agreement with the PM that when GFE is projected to be late, the CMO will notify the program manager, coordinate the transfer of assets from spare inventory and, when spares are not available, assist in the determination of an alternate source.

“The guiding principle is all about teaming,” said Mr. Charles McAleer, DCMA Boeing Philadelphia deputy commander. “We developed a ‘GFE quick look tool’ that gives everyone the status and projected status of the actual GFE deliveries. The report is coded [primarily] red, yellow and green. The metrics are that if GFE is projected for up to six days of load dates, it is green. If we are predicting six to 12 days, it is yellow, and anything greater than 12 days goes red.” If there is a red report, “this sets the light bulb off. If we know we’re not going to have the piece of equipment, we can look at spares or we can go back to the manufacturer and say that they need to accelerate production,” Mr. McAleer said. “We work collectively with Boeing, the GFE suppliers and the PM,” he added. There is also a blue rating that means DCMA is providing outstanding support and exceeding customer requirements. DCMA Boeing Philadelphia received a blue rating for GFE, so “they are obviously very happy with what we are doing in this area,” Mr. McAleer said.

In this example, the CMO is measuring two things — GFE on-time delivery and whether advanced notification agreements were met for GFE delinquencies. So here is a customer

outcome, a suite of actions DCMA has taken or can take to support that outcome and some measures to determine whether the process is staying on track.

The Future is Now

The DCMA planning process allows Agency leaders to manage and communicate effectively with the field because it is a structured, repeatable and disciplined way to identify and deal with future challenges. As supplier processes continuously become more sophisticated and customer outcomes change, the planning process will give Agency managers and business process leaders a communications vehicle for staying current with technological innovations. And the CMO execution plans (the bottom echelons communicating up) will keep Agency leaders informed of these advances. Senior leaders will use PBM processes to adapt to changing political trends and Defense priorities, and customer feedback from the field will drive the application of high-priority processes.

The success of DCMA’s planning process will ultimately be judged by its relationships with its customers, and DCMA leaders have no doubts that their transformational efforts — guided by a cutting-edge plan — will work. Mrs. Sallie Flavin, DCMA deputy director, summarized it this way: “Coming out of the DCMA transformation will be a group of people who are given the freedom to arrive at solutions for their customers that are real time and that cut across functional areas. The more we do for our customers, the more our customers will demand our presence and our assistance.”

Contractors on the Battlefield: Part III



by Mr. Michael J. Dudley,
U.S. Army Defense Leadership and Management Program Participant

This is the third and final installment in a series that discusses policy and planning to ensure effective contractor force protection on the battlefield. The first installment explored what the military services are doing to provide force protection for contractors. The second installment detailed the present military service force protection guidance. This final chapter analyzes the issues surrounding protection of battlefield contractors. The author's views are his own and do not represent those of DCMA or the Department of Defense.

(Right) Taking a break from his contingency contracting, U.S. Army Maj. Scott Meehan, DCMA Orlando, stands beside freshly cut armored sheets. (DCMA staff photo.)

(Opposite) Ms. Mildred Miller, DCMA Anniston, with her ACO, Maj. Todd Spencer, at the airfield in Al Kut, Iraq. (Photo by Scott Hendrickson.)





Must the combatant commander provide force protection for contractor personnel? This is a very important question to which the answer is not always clear. As detailed in Army Field Manual (FM) 100-10-2, various source documents are inconsistent in determining who provides force protection, and the situation often dictates the answer. Understandably, this causes confusion.

One source, the Logistics Civil Augmentation Program (LOGCAP) contract DAAA09-02-D-0007, dictates "...the Service Theater Commander will provide force protection to contractor employees commensurate with that given service/agency's...civilians in the operations area..."¹ In contrast, according to Joint Publication (JP) 4-0, "Force protection responsibility for Department of Defense (DoD) contractor employees is a contractor responsibility..."² Causing further confusion, both of these quotes contain modifying language: The subtitle of the "Special Contract Requirements" section of the LOGCAP contract indicates that it is for "peacetime contracts" and the contracting officer may modify the provisions based on the situation. Meanwhile, paragraph 13 of JP 4-0 declares that the contractor is responsible for force protection of his/her employees unless the contract states otherwise.³

...clarification on which activities are lawfully non-combatant must be provided to the international community and DoD to prevent uncertainty...

Such contradictions should not occur due to the clearly stated requirement by JP 4-0 that "...contractor security provisions... (be) incorporated into Operation Plans (OPLANs) and/or Operations Orders (OPORDs), in the governing contract, and in the determination of structure and size of theater forces."⁴ However, the confusion is often understandable given the fact that military planners and contracting officers usually belong to different organizations, operate in different time demands/horizons (the contract

award date and period may not coincide with OPLAN update cycles) and have different perspectives. In some cases, the requirement to provide the force protection may cause the combatant commander (COCOM) to feel overly burdened if the available forces are already limited. He/she may be unwilling to provide force protection unless clearly directed. This has the potential to severely complicate force protection challenges in the current "no fronts" nature of asymmetric warfare.

Unclear Requirements for Control of Contractor Employees on and off Duty

If the COCOM is required to provide force protection to contractor personnel, how does he/she direct the actions of contractor employees both on and off duty? Guidance in this area is contradictory. According to JP 4-0



Iraqi contractors install armored plates onto Humvees in an effort to better protect escorts and soldiers. (Photo by Maj. Scott Meehan, U.S. Army.)

¹ "U.S. Army Joint Munitions Command Logistics Civil Augmentation Program (LOGCAP), Contract Number DAAA09-02-D-0007," linked document, *Suggested Clauses* at "Army Materiel Command Contingency Contracting" <http://www.amc.army.mil/amc/rda/rda-ac/ck/ck-source.htm>, Section H, Special Contract Requirements, paragraph H-16, Force Protection, 3.

² JP 4-0, V-7.

³ *Ibid.*

⁴ *Ibid.*

⁵ LOGCAP Contract DAAA09-02-D-0007, paragraph H-14, Logistics Support Element, 2.

⁶ *Ibid.*, 1.

⁷ Susan C. Foster, "Contractors On The Battlefield: Force Multipliers Or Detractors?" Carlisle Barracks, Pa. U.S. Army War College, April 1998, 19.

The current trend in warfare means there is no longer a traditional “rear area.”



and Army Regulation (AR) 715-9, contractor employees are under the supervisory control of contractor management officials. The DoD contracting officer or contracting officer's technical representative (COTR) only provides them with contractual direction. Yet, the LOGCAP contract requires that the contractor “...place all employees deploying to support this contract under the administrative control of the...Army Materiel Command forward commander.”⁵ In addition, the contract requires that contractor employees “...comply with all guidance, instructions, and general orders applicable to U.S. Armed Forces and DoD civilians as issued by the theater commander or his/her representative.”⁶ This apparent conflict in policy could lead some to wonder if contractor employees are under the command and control of the COCOM after all.

During on-duty periods, the contractor employees are only subject to the Uniform Code of Military Justice during a declared war and without the declaration they are not.⁷ Therefore, if the COCOM cannot direct the actions of contractor employees during an emergency in an “undeclared war,” such as an attack on a contractor employee location, then he/she may be faced with a significantly complicated ability to provide effective force protection if the contractor personnel flee from their assigned posts or move

to locations inconsistent with effective military strategy. This situation could worsen if, by fleeing an assignment to maintain a key weapon system, the contractor employee's absence negatively impacts the use of the very equipment that could protect him/her and fellow military and civilian personnel from harm.

The difference between military and contractor personnel is also present during off-duty hours, as contractor personnel are not subject to the same restrictions. For example, contractor employees are allowed to travel “off post” within the battlefield area. This apparent “privileged” status could significantly affect the morale and discipline of military personnel within the area of operations, increasing the difficulty of the COCOM's force protection burden while at the same time endangering mission accomplishment.

Unclear Understanding of Non-Combatant Status

Contractor personnel are considered non-combatants per Army FM 100-10-2, Contracting Support on the Battlefield, and Navy Warfare Publication (NWP) 1-14M, Commander's Handbook on the Law of Naval Operations. For this reason, contractor employees assigned overseas should be issued identification (ID) cards stating the employee's non-combatant status under the Geneva Convention. However, there is still much misunderstanding of this issue. For example, paragraph H-18 of the LOGCAP contract requires the contractor to ensure that its employees have ID cards. But it does not

...policy should make contractor employees subject to the Uniform Code of Military Justice during any “contingency operation”...

(Above) Mr. Al Bashir, an Iraqi vendor, supplied U.S. Army Maj. Scott Meehan, DCMA Orlando, and his men with armored plates that stopped nearly all fire rounds with few to no indentation marks. Here, soldiers install these life-saving devices.

(Right) U.S. Army Maj. Scott Meehan, DCMA Orlando, shakes on a contract and closes a deal.



...significant gaps in CoB policy, doctrine and military planning exist in the area of contractor employee force protection.



32

specify that the ID cards indicate Geneva Convention status. The urgency of this issue is exemplified in an Air Force e-mail dated April 8, 2003: "Recently, a disturbing number of DoD civilians and contractor employees were found to be in the Southwest Asia area of operations without Geneva Convention identification."⁸ By indicating Geneva Convention status on the ID cards, contracting employees will gain the protection offered to those with this status. Unfortunately, it is obvious that much work needs to be done to clarify this issue in Iraq and Afghanistan, as well as across DoD.

Another form of identification is military uniforms. Because contractor employees are not authorized to wear military uniforms, they should be issued "...distinctively colored patches, armbands or headgear."⁹ However, distinct articles of clothing have not always been given to contractor personnel in every operation. As distinctively identified non-combatants, contractor employees would not be made the object of attack nor considered military targets and, if captured, would be given the same protection granted Prisoners of War under the Geneva Convention.

Without such identification, contractors performing new types of battlefield support, such as battlefield repair of weapons systems engaged on the front lines, could be considered illegal combatants because of their direct support in the taking up of arms against an enemy. Illegal combatants do not receive the protections of the Geneva Convention and could be subject to war crimes trials. For this reason, clarification on which activities are lawfully non-combatant must be provided to the international community and DoD to prevent uncertainty in this area and preclude loss of non-combatant status if the employee is detained.

Unclear Requirements for Weapons

If contractor personnel are considered non-combatants and are not under the direct control of the COCOM, they should not carry weapons. However, once again, guidelines are conflicting. An interim memo from the acting secretary of the Air Force states, "Air Force commanders should not issue firearms to contractor personnel...nor should they allow contractor personnel to carry personally owned weapons."¹⁰ In contrast, paragraph H-21 of the LOGCAP contract permits the carrying of government furnished firearms (M9 pistols) by contractor employees (for self-defense purposes at the discretion of the theater commander).¹¹

This flexibility regarding weapons for the contractors should be eliminated. Contractor employees receive limited weapons training and should not act as soldiers. Possession of a firearm by contractor employees in battlefield conditions could actually increase their chances of being killed or injured in a hostile situation for two reasons. First, enemy forces would probably attack armed contractor personnel. Their outlook is reflected in NWP 1-14M, which states that non-combatant persons who take up arms lose their immunity as non-combatant persons and may be attacked.¹² Second, the contractor employees may be tempted when faced with enemy forces to use their weapons without proper authorization or approval. In summary, there are many unclear requirements in force protection policy.

If Force Protection Efforts Fail

Why is this issue important? In addition to the public outcry that accompanies any loss of U.S. personnel in battle and the military's loss of critically needed personnel and capability, there is also a compensation cost if force protection efforts fail. Compensation is due to employees (or beneficiaries) if an eligible contractor employee is injured or killed in overseas

(Above) A member of Maj. Scott Meehan's group in Iraq.

battlefield employment when the Workers' Compensation Insurance (Defense Base Act) clause, Federal Acquisition Regulation (FAR) 52.228-3, is included in the contract as required by FAR 28.309(a). This coverage also applies to injury or death during transit to or from an employee's place of employment when the government provides the transportation or reimburses the contractor for the cost of the transportation.¹³

The Worker's Compensation and War-Hazard Insurance Overseas clause, FAR 52.228-4, also requires compensation for injuries or death resulting from a war-risk hazard (a hazard that can arise in any U.S. armed conflict whether or not a war has been formally declared) even when the injury or death occurs outside of the course of the employee's battlefield employment. This compensation comes from the Federal Employee's Compensation Act Fund (funded by the government).¹⁴

However, as was noted during the Defense Acquisition Excellence Council (DAEC) briefing, these clauses are not always included in all contracts. This inconsistency could cause significant liability and/or public relations problems, not to mention emotional and financial hardship, should a contractor employee be injured or killed without the financial protection that the clauses provide.

If the Contractor Employee Is Captured and Detained

Compensation is due to employees (or beneficiaries) if an eligible contractor employee is captured and detained in the course of overseas battlefield employment or when in the area as required by the contract if the Capture and Detention clause is included in the contract. (This clause is Defense Federal Acquisition Regulation Supplement (DFARS) 252.228-7003.) This compensation, which could be the total pay due the employee while detained by the enemy, is paid by the government.¹⁵

"The contributions of DCMA's employees increase our position as the 'indispensable partner' to our customers and bolster our mission to provide combat support for today's soldiers."

- Maj. Gen. Darryl A. Scott (10/04)

Further, compensation is due to employees captured and detained while performing personal services contracts under the Victims of Terror Compensation Act (VTCA), which does not require a clause to be included in the contract to apply.

The VTCA compensation includes

not only pay and benefits but also physical and mental health care and educational benefits for the employee's family as well as death benefits if the employee is killed while detained.¹⁶

If the Contractor Has Been Indemnified by the Government

Compensation may also be due contractors who are a party to third-person claims for injury or death when the Indemnification Under Public Law 85-804 clause, FAR 52.250-1, is included in the contract.¹⁷

In summary, it could be quite costly to taxpayers if battlefield force protection efforts fail and compensation must be provided.

⁸ Kevin White, "Geneva Conventions Identification" [e-mail to multiple addressees] 8 Apr 2003, linked document, "Contractors in-Theater - Urgent Message" at "Air Force Contracting" <http://www.safaq.hq.af.mil/contracting/public/index.cfm>.

⁹ Delaney, 4.

¹⁰ *Ibid.*

¹¹ LOGCAP Contract DAAA09-02-D-0007, 6.

¹² U.S. Navy Department, *The Commander's Handbook on the Law of Naval Operations*, Navy Warfare Publication (NWP) 1-14M, (Norfolk VA: October 1995), 11-1.

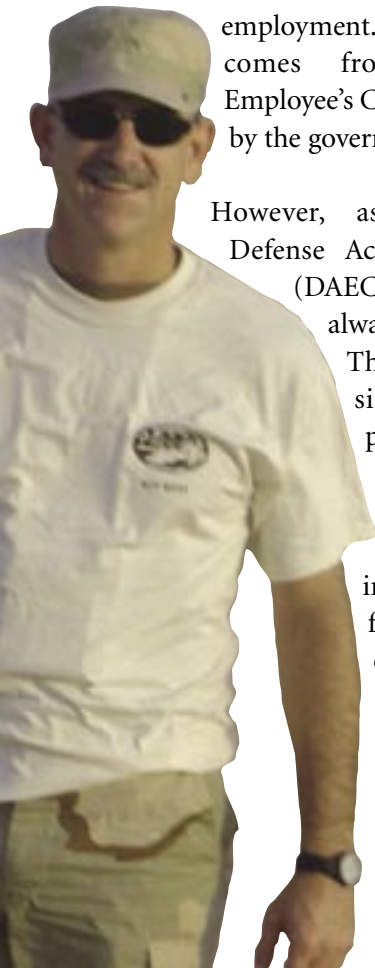
¹³ McCullough and Pafford, 8.

¹⁴ *Ibid.*

¹⁵ *Ibid.*

¹⁶ *Ibid.*

¹⁷ *Ibid.*



(Left) Mr. Steve Bratz, DCMA San Antonio, in Kuwait in July 2004. (DCMA staff photo.)

New Army Acquisition Strategy Restrictions

The assistant secretary of the Army (ASA) for Acquisition, Logistics & Technology (AL&T) has recognized the trend of increased contractors on the battlefield and published a June 2002 policy memorandum addressing the issue. The memorandum places restrictions on the use of contractor support to maintain battlefield operations, which includes a requirement that new systems under development not place contractor support in forward areas. A second requirement is that new systems necessitating contractor support in forward areas be reviewed by the ASA AL&T prior to approval.

This ASA AL&T memo is a step in the right direction for providing a framework to keep track of the number of contractor employees on the battlefield. However, given the current slow pace of the acquisition of weapon systems, the impact of the memo may not be felt for several years. Until the memo is incorporated into applicable Army regulations, its power may be less than compelling; and even after it is adopted, its power will be only within the Army. Given the asymmetric “no fronts” nature of the current operations in Iraq and Afghanistan where attacks on U.S. forces have occurred behind the “front lines,” contractor employees may not gain much protection from hostile fire just because they are shifted from “forward” areas. The current trend in warfare means there is no longer a traditional “rear area.”

My Recommendations

Policy at all levels and by all services and the joint staff should be revised to consistently and clearly detail who is responsible for force protection of contractor employees.

In addition, that policy should make contractor employees subject to the Uniform Code of Military Justice during any deployed military operation meeting the statutory definition of “contingency operation” under 10 United States Code. The policy should also ensure that contractor employees not carry weapons.

Contractor employees assigned overseas should be issued distinctively colored patches, armbands or headgear and ID cards that identify the employee’s non-combatant status under the Geneva Convention. Further, clarification on those activities that can be considered lawfully non-combatant needs to be issued to the international community and DoD to prevent uncertainty and preclude loss of that status if the employee is detained.

The policy changes recommended above should be incorporated into the new proposed Army Federal Acquisition Regulation Supplement (AFARS) clause, 5125.225-74-9000 – Contractors Accompanying the Force, and be adopted DoD-wide as a DFARS clause. In addition, the policy changes recommended should be incorporated into FM-3-100-21, Contractors on the Battlefield, and be adopted as a DoD manual.





Additionally, contracting officers should become part of the planning process. The use of a revised proposed AFARS clause and revised FM 3-100-21 would be helpful in any continuity of business (CoB)-related plan regarding contractors on the battlefield. Contracting officers should also ensure contracts include all Defense Base Act and related clauses such as FAR 52.228-3. OPLANs, OPORDs and LOGCAP contracts should be written and updated in coordination with the contracting officer and the combatant commander's staff and reviewed by both parties prior to issue.

Finally, mandatory CoB training should be conducted at all military service senior and intermediate colleges using the revised AFARS clause and revised FM 3-100-21 as mandatory topics. For example, the U.S. Army's Command and General Staff College already has a course titled, "Contractors on the Battlefield," which is currently an elective. In addition, similar CoB training should be provided to all contractor personnel. Also, the CoB office of primary responsibility (OPR) should work with the DAEC to quickly resolve and promulgate revised policy, including the recommended solutions to the issues identified above as well as any new emerging issues concerning contractors on the battlefield.

Conclusion

The current Bush administration's Presidential Management Agenda has encouraged the

Unfortunately, significant gaps in continuity of business (CoB) policy, doctrine and military planning exist in the area of contractor employee force protection.

increased use of contractor employees for functions formerly performed by military and DoD civilian personnel. This policy, combined with recent acquisition trends of higher use of contractor logistical support throughout the weapons system life cycle, has given rise to larger numbers and types of CoB during combat, contingencies, peacekeeping and other deployed military operations.

Unfortunately, significant gaps in CoB policy, doctrine and military planning exist in the area of contractor employee force protection. These policy gaps pose significant risks to the combatant commander and must be corrected

to ensure effective contractor employee force protection for the increased numbers of contractor personnel on the battlefield and an increased opportunity for mission success.

Mr. Michael J. Dudley

Mr. Michael J. Dudley is a former commander of DCMA Baltimore and is currently working for the U.S. Army on the Defense Leadership and Management Program (DLAMP).

(Above) These five Iraqi contractors keep their families in mind while making their dangerous commute to and from work in Al Kut, Iraq.

(Left) CCAS Volunteer Ms. Susan Clark, quality assurance representative, in Iraq.

Battle-Hardened Leadership Lessons from Gettysburg

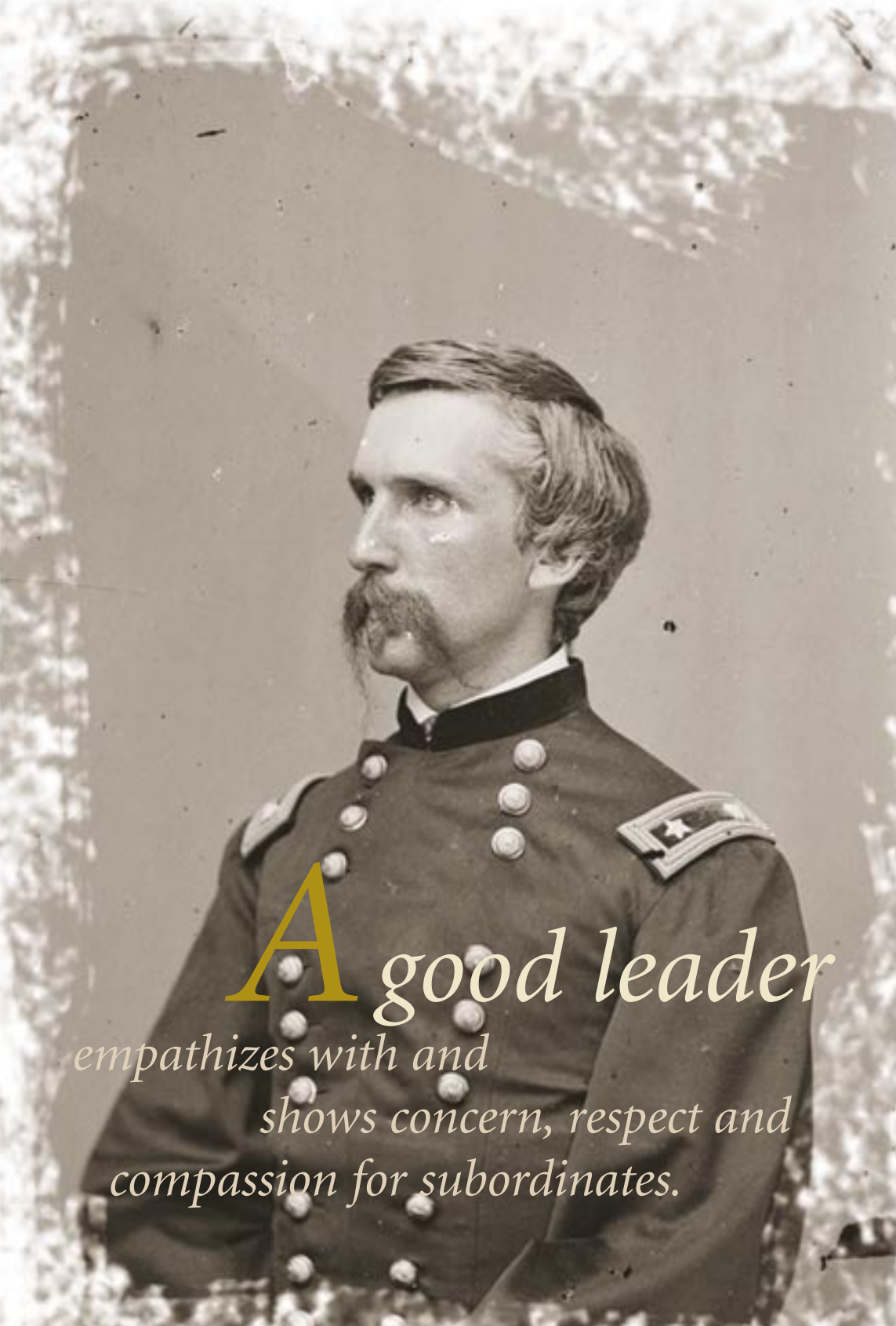


by Mr. Tom Gelli, Chief, Congressional Affairs, DCMA Headquarters

They came from the north and south and from the east and west. They were of diverse ethnic and professional backgrounds, arriving by various modes of transportation and converging on the Southern Pennsylvania town of Gettysburg. There, over the course of three days, they would toil well beyond dusk under ever-changing conditions to ensure the vitality and well-being of the greater enterprise.



Braving the inclement weather, a group of conference attendees listens as a Gettysburg historian recounts the events that unfolded on that spot in July 1863.



*A good leader
empathizes with and
shows concern, respect and
compassion for subordinates.*

The ultimate citizen-soldier, Col. Chamberlain, commander of the Union's 20th Maine, is best known for his heroic defense of Little Round Top on the second day of Gettysburg. A college professor who voluntarily joined the military, Col. Chamberlain was held in the highest regard by superiors and subordinates alike. After the war, he served three terms as governor of Maine and was later appointed as president of his alma mater, Bowdoin College. Despite having sustained six serious war wounds, including being shot through both hips, he lived until the age of 83.

But unlike their predecessors of 141 years ago, these wayfarers were equipped not with muskets and canteens but with laptops and spiral binders. Dramatically fewer in number than the 165,000 soldiers who hallowed that rolling terrain in the summer of 1863, these modern-day conscripts, even at full muster, numbered scarcely more than a company of 150. And in contrast to the blue and gray of their Civil War forebears, this 21st century assemblage was clad, at least figuratively speaking, in DCMA purple. Yet they too had their objectives — learning objectives, that is — and they were resolute in their pursuit of them.

They had come not to fight but to study and to return home with the spoils of learning — booty that would enable them to lead their colleagues and work units by applying principles gleaned from the fame and the shame earned at the Battle of Gettysburg — the bloodiest battle ever in North America.

Though Gettysburg did not officially end the Civil War, it turned the tide in favor of the Union and prefaced the North's eventual victory.

The three-day program, sponsored by the DCMA Transformation Team, spotlighted some of the leadership lessons provided by the Battle of Gettysburg. Indeed some things long endure, and, as Mrs. Sallie Flavin, DCMA deputy director, noted in her keynote address, principles of effective leadership are not muted by the march of time. What succeeded or failed in the days of Gen. Robert E. Lee and Maj. Gen. George G. Meade still beget sizzle or fizzle in today's fast-paced and competitive work world.

So, come with us now as we revisit those first three days of July 1863 when amid the fog of war the fate of a nation and the lives of so

many pivoted on the leadership skills and foibles of so few.



For those of you who were having your tonsils taken out the week Mr. Geisendorfer covered the Civil War in history class, listen up. At the Battle of Gettysburg, July 1-3, 1863, The Federal Army of the Potomac, commanded by the newly-assigned Maj. Gen. Meade, defeated the Army of Northern Virginia, led by Gen. Lee. The clash pitted long-time colleagues, friends and West Point classmates against one another in a bodacious battle of nerve and strategy. When the dust and smoke settled, roughly 53,000 were dead, wounded, captured or unaccounted for. Though Gettysburg did not officially end the Civil War, it turned the tide in favor of the Union and prefaced the North's eventual victory.

Survival at Antietam and victories at Fredericksburg and Chancellorsville had solidified Gen. Lee's reputation as a superb military strategist and tactician, one whose battlefield savvy often compensated for numerical and materiel disadvantages. But his success, particularly at Chancellorsville just a month earlier, may have led to overconfidence and the decision to launch an offensive into the North's backyard. Despite having a clear notion of how a victory at Gettysburg would buoy the South, Gen.

(Above) Addressing the Agency's Leadership Development Conference, Mrs. Sallie Flavin, DCMA deputy director, exhorts the attendees to "recognize your professional and moral responsibility to motivate, mentor and bring out the best in your people as you move the Agency in the direction of its vision."

A good leader recognizes that those who are expected to carry out the plans must have a sense of ownership in the end result.



Lee seemed less certain as to how to wage the battle. Would he embrace his proven defensive schema, or would he take an offensive posture? Seemingly, due to a number of factors, Gen. Lee appeared to lack a comprehensive battle plan — at least not one he was comfortably committed to. At Gettysburg, he largely kept his own counsel, giving short shrift to the advice and misgivings of his closest and perhaps ablest subordinate, Lt. Gen. James Longstreet, who questioned the wisdom of invading Northern territory and taking an aggressive battle tack. Gen. Lee's autonomous

A good leader, while recognizing that ultimate responsibility and accountability rest with him/her, draws upon the opinions and ideas of subordinates.

approach at Gettysburg, coupled with his uncharacteristic lack of a firm and well-understood battle plan, may have undercut the South's performance at Gettysburg.

Maj. Gen. Meade, on the other hand, took a more consensus-building approach, giving fair consideration to the ideas of his subordinate field commanders. This may be due to the fact that he had been given command of the Army of the Potomac just days before the events of Gettysburg. Nonetheless, Maj. Gen. Meade's collegial approach yielded dividends, particularly in preparation for Day 3, when Confederate units made their famous, yet futile, frontal assault on Cemetery Ridge. *A good leader, while recognizing that ultimate responsibility and accountability rest with him/her, draws upon the opinions and ideas of subordinates.* In modern biz-speak, none of us is as smart as all of us. The melding of diverse viewpoints and talents leads to team synergy and enhanced organizational performance. Similarly, a good leader recognizes that those who

are expected to carry out the plans must have a sense of ownership in the end result and be empowered to manage the processes through which organizational goals will be achieved.

Though deservedly acclaimed as a superb military strategist and tactician, Gen. Lee earns only average marks for his communication skills. In fact, some historians contend that Gen. Lee's loose and sometimes ambiguous language may have been his Achilles heel during the Gettysburg campaign. For example, attempting to sustain the South's Day 1 momentum, Gen. Lee directed Lt. Gen. Richard Ewell to attack "if practicable" the Northern forces positioned on Cemetery Ridge. Lt. Gen.

(Above) Maj. Gen. Meade took command of the Union's Army of the Potomac just two days before the Battle of Gettysburg and remained in that position for the duration of the war. A West Point-educated engineer, Maj. Gen. Meade was considered a solid, though not exceptional, military strategist. His receptivity to the advice of his subordinates proved valuable at Gettysburg, but his lackluster pursuit of Gen. Lee's retreating army displeased President Lincoln. He died seven years after the war at age 57.

A good leader communicates clearly and precisely and ensures the message reaches all intended recipients.

Ewell, believing his troops were tired and disarrayed, decided it was not “practicable” to assault the enemy’s position. This gave the Northern forces time to reinforce their positions and successfully defend the tactically valuable ridge.

Maj. Gen. J.E.B. Stuart’s maundering trek to Gettysburg is another example of Gen. Lee’s tendency — witting or unwitting — to inject latitude into his direction costing him dearly in the reconnaissance of the enemy forces.

Maj. Gen. Stuart’s cavalry, the “eyes and ears” of the Confederate forces at Gettysburg, was proceeding toward the town. However, because Gen. Lee had given him latitude in choosing the route, Maj. Gen. Stuart took a less direct path, initiating several fruitless skirmishes that did little more than delay his arrival at Gettysburg and deprive Gen. Lee of much-needed intelligence. As a result, Gen. Lee had to wage the battle under unfavorable circumstances. *A good leader communicates clearly and precisely and ensures the message reaches all intended recipients.*

A good leader rebukes in private and concludes with encouragement. When Maj. Gen. Stuart finally arrived on the scene on Day 2, Gen. Lee promptly and sternly upbraided him for his seemingly lackadaisical journey to Gettysburg. Whether such chiding was deserved is debatable, but Gen. Lee, a forgiving man and keenly aware of Maj. Gen. Stuart’s talents, ended the tête-à-tête by praising Stuart for his fortitude and contributions to the Southern army. Though he felt the sting of Gen. Lee’s sharp tone, Maj. Gen. Stuart rode off encouraged and motivated by Gen. Lee’s parting words of praise and encouragement.

As today’s motivational gurus often say, an effective leader fixes the problem, rather than affixes the blame.

A good leader empathizes with and shows concern, respect and compassion for subordinates. If there is one individual who ascended to stardom at Gettysburg, it was Union Col. Joshua L. Chamberlain of Maine. A professor of rhetoric at Bowdoin College, the 33-year-old father of three took a leave of absence with the intention of studying in Europe. Instead, he joined the Maine Infantry and became a central figure at Gettysburg, where his bravery, interpersonal communication skills, commitment to the plan and quick thinking helped secure the Union’s victory. Only days before

hostilities began at Gettysburg, Col. Chamberlain was given custody of 120 mutineers from Maine. This ragtag bunch of tired, hungry and battle-weary men had had their fill of the war. In modern terms you could say they had hit the proverbial wall. Major burn out. Essentially, they had become native-son POWs no longer willing to fight. But rather than treating them with disdain, Col. Chamberlain listened to their grievances, won their trust and with gentle, non-threatening entreaties persuaded them to pick up arms once again and join his unit. All but three of the 120 did so. Indeed, honey proved more effective than vinegar. These mutineers and the members of the 20th Maine under Col. Chamberlain’s command tenaciously and heroically defended Little Round Top, an elevated position critical to the protection of the Union left flank. Col. Chamberlain’s men fully understood the criticality of their mission and were so loyal to him that when their ammo ran out, they made a last-gasp defense of

A good leader ensures that his/her subordinates understand the importance of the mission and how it fits into the organization’s vision and strategy.



(Above) “...government of the people, by the people, and for the people, shall not perish from the earth,” recites stage and screen performer Mr. James Getty, who addressed the DCMA Leadership Development Conference in the full persona of former President Abraham Lincoln. Debunking popular myth, President Lincoln told the DCMA gathering that he drafted the Gettysburg Address on standard-sized paper in Washington, D.C., not on the back of an envelope while on the train to Pennsylvania.



A good leader

A GOOD LEADER PURSUES THE
ORGANIZATION'S GOALS AND VISION
WITH ENTHUSIASM AND OPTIMISM AND
IN SO DOING INSPIRES SUBORDINATES TO
DO THE SAME.

A highly talented Confederate cavalry officer, Maj. Gen. Stuart, a West Pointer, was the "eyes and ears" of Gen. Lee's Army of Northern Va. However, due to imprecise language in Gen. Lee's orders to him, Maj. Gen. Stuart and his cavalry arrived late at Gettysburg, thereby depriving Gen. Lee of intelligence about Union positions and strength. After receiving a scolding from Gen. Lee, Maj. Gen. Stuart went on to perform admirably for the next 10 months before his battlefield death at Yellow Tavern, Va., at the age of 31.

Little Round Top with a courageous bayonet charge that drove the attacking Confederates back into the lower woods. *A good leader ensures that his/her subordinates understand the importance of the mission and how it fits into the organization's vision and strategy.*

High-profile leadership is often accompanied by commensurate risk. In storming the metaphorical beachheads of today's work environment, a leader's actions must inspire and show the way for subordinates, especially when the challenge is great. Gettysburg provides several notable examples in this regard. One is Maj. Gen. John Reynolds, whose Union I Corps — the Iron Brigade — rushed to the aid of besieged Federal troops on McPherson Ridge on Day 1. Despite being outnumbered, the brigade fervently entered the fray, following Maj. Gen. Reynolds' bold lead. A second example is that of Confederate Brig. Gen. Lewis Armistead, who rallied and led his troops in the massive attack on Cemetery Ridge on the final day of the battle. Though well aware of the peril awaiting them, Brig.

Gen. Armistead's men followed him in a frontal assault of the Northern stronghold on Cemetery Ridge. Brig. Gen. Armistead, with his hat atop his hoisted sword, led the way for his soldiers, who broke the Union line and briefly raised

A good leader models the way for subordinates, remains visible to them and willingly accepts the risk associated with the responsibilities of leadership.

the Confederate colors on the ridge. Though the gain was short-lived, Brig. Gen. Armistead's out-in-front leadership sparked the South's one flicker of hope during that ill-fated assault known as Pickett's Charge. But as previously stated, high-profile leadership is not without risk. Maj. Gen. Reynolds and Brig. Gen. Armistead met their deaths while leading the way those two days. *Though it is wise to bear in mind that discretion is sometimes the better part of valor, a good leader models the way for subordinates, remains visible to them and willingly accepts the risk associated with the responsibilities of leadership.*



A leader's ardor and optimism can rub off on subordinates. Similarly, so too can apprehension and the lack of enthusiasm. A case in point is Lt. Gen. Longstreet — Gen. Lee's right-hand man at Gettysburg. Though a talented and highly regarded general, Lt. Gen. Longstreet opposed Gen. Lee's decision to invade Pennsylvania and once there took issue with Gen. Lee's bold battle plan. This was particularly evident in the hours before Pickett's Charge, when Lt. Gen. Longstreet, whose misgivings about storming Cemetery Ridge were dismissed by Gen.

Lee, conveyed through his demeanor a reluctance and a pessimism that his troops quickly picked up on. Not surprisingly, those Confederate soldiers and junior officers who observed Lt. Gen. Longstreet prior to the assault did not enter the saturation raid

(Above) Lt. Gen. Longstreet, a West Point graduate from S.C., was Gen. Lee's reliable "Old War Horse." Nonetheless, Lt. Gen. Longstreet vocally disagreed with many aspects of Gen. Lee's offensive-oriented battle plan at Gettysburg. His post-war criticism of Gen. Lee's decision-making at Gettysburg evoked the ire of many Southerners. After the war, Lt. Gen. Longstreet became friends with Gen. Ulysses S. Grant and served in a variety of government posts. Like his Civil War adversary, Col. Chamberlain, Lt. Gen. Longstreet lived to age 83.

A good leader recognizes and accepts responsibility and accountability for all that happens within the purview of his/her authority.

in a fit of zeal. In today's workplace, such an occurrence might be categorized as a self-fulfilling prophecy. *A good leader pursues the organization's goals and vision with enthusiasm and optimism and in so doing inspires subordinates to do the same.*

To a notable degree, Gen. Lee's decision to take an aggressive approach at Gettysburg was based on an errant optimism following several improbable Southern victories. But as contemporary wisdom suggests, it can be risky — and naïve — to believe one's own press clippings. In that regard, a good leader knows that past success is no guarantee of future success. And this brings us back to the point about a good leader's willingness to accept the ultimate blame and shame when the plan goes awry, when fate conspires harshly and when the endeavor falls short of the vision. In

lamenting the outcome at Gettysburg, Gen. Lee said, "It was all my fault," personifying in the noblest of voices that *a good leader recognizes and accepts responsibility for all that happens within the purview of his or her authority.*



A good leader pursues the organization's goals and vision with enthusiasm and optimism and in so doing inspires subordinates to do the same.

With final reports tendered and the evening darkness closing in on Day 3, the assembled pilgrims bundled their trappings and departed Southern Pennsylvania for more familiar territory — across the Potomac, across the Mississippi, across latitude 36/30 — to rejoin and share some lessons of war with colleagues at field offices and headquarters elements. And while the DCMA forces suffered no casualties during their encounter with history, it is hoped that they will long remember what was said and what was done there. From their experience may they be dedicated to the unfinished work that others before them have so nobly advanced. Indeed, it is altogether fitting and proper that they do so.

Tom Gelli

Tom Gelli is the chief of Congressional Affairs, DCMA Headquarters. He holds a bachelor's degree in political science from the University of Florida, Gainesville, Fla., and a master's degree from the Kogod School of Business at American University, Washington, D.C.

(Above) Brig. Gen. Lewis Addison Armistead led his troops in the massive attack on Cemetery Ridge on the final day of the battle. Though well aware of the peril awaiting them, Brig. Gen. Armistead's men followed him in a frontal assault of the Northern stronghold on Cemetery Ridge, and his out-in-front leadership sparked the South's one flicker of hope during that ill-fated assault known as Pickett's Charge.

Earned Value Management — Where Are We Going from Here? Part I

by Mr. Terry Jones, Staff Writer

With earned value language coming out in the Federal Acquisition Regulation and Department of Defense policy changes in the works, it's a milestone year for Earned Value Management professionals.

Editor's note: This is a reprint of an article, with corrections. Originally published in the Summer 2004 issue of the Communicator, it is the first installment in a two-part series that examines Earned Value Management (EVM) issues in government and industry. In this report, we will look at new provisions being added to the Federal Acquisition Regulation (FAR) mandating EVM throughout all government high-dollar and high-risk programs as well as the new Department of Defense (DoD) policy that is being prepared concurrently.

These are pretty heady times for the EVM professionals throughout the federal government, industry and the DoD. The Office of Management and Budget (OMB) has proposed a standardized EVM System clause and other changes to the FAR, requiring that EVM be included in all high-dollar and high-risk federal contracts. The changes are currently being reviewed by the FAR councils with expected publication for public comment in January 2005. At the heart of these and other issues bubbling up over the

next eight to 12 months is the Defense Contract Management Agency (DCMA), the DoD executive agent for Earned Value.

EVM is a methodology for determining the cost, technical and schedule performance of a complex program or project by comparing work that is planned with work that is accomplished in terms of dollar value assigned to the work. It has been a cornerstone of DoD acquisition practices since the mid-1960s. Although technology is speeding up Earned Value reporting, major changes in EVM have been relatively few and far between over the decades. One of the last major changes in the mid-1990s transferred the responsibility for EVM implementation to industry and the EVM certification and compliance authority from DoD to DCMA. In recent years, there has been a worldwide movement in countries such as Australia, Canada, Great Britain, Russia and Sweden to use EVM. The American National Standards Institute (ANSI), a private, non-profit organization that coordinates the U.S. voluntary standardization and conformity assessment system, establishes the standards for EVM certification.



With everything that is going on, it is truly the dawn of a new era that will

encompass the entire federal government and many of the industries that support it.

Even the most casual observer can see why EVM is used on efforts such as the Joint Strike Fighter (JSF), the largest DoD procurement program in history, currently valued at \$200 billion. Three different companies assemble the aft, mid and forward fuselages of the aircraft. Virtually thousands of parts and a multitude of systems provided by more than 58 global suppliers must be seamlessly integrated into the aircraft to work properly.

But why is EVM needed in agencies other than Defense? It is because there are risks that need to be addressed even in the most mundane projects.

“Many civilian agencies have \$100 million and bigger programs,” said Mr. David Muzio, OMB procurement policy analyst and the man charged with putting the EVM language into the FAR. “The FAA, NASA and Department of Energy have lots of programs in the hundreds of millions to billion dollar range. Others have many programs in the \$20-\$50 million range for information technology and construction. You have to weigh risk in almost every program.

We think that those programs also need to be managed with a disciplined management system.”

The FAR change that Mr. Muzio has drafted is intended to be flexible. “It will be a standard clause that requires a minimum of reporting,” he said. “An agency can certainly ask for more reporting if they desire. It is likely that there will be more requirements in the clause for the JSF than there would be for a \$25 million Job Corps Center.” He admits that they are early in the process of getting the final EVM change in the FAR. “We have a FAR case number, 3004-019, and both the Defense Acquisition Regulatory Council and the Civilian Agency Acquisition Council have reviewed the case and are finalizing a proposed rule, which should be published for public comment in January 2005. There will be some new concepts proposed in the rule that should generate a lot of comments. At the present pace, the final rule will not be published until May 2005.”

The proposed language was sent to the FAR Council, which asked the Defense Acquisition Review

Committee and the Civilian Acquisition Committee to implement the policy. The committees opened FAR Case Number 2004-019 and assigned an interagency implementation team to review the proposal and recommend the draft FAR change that should be published in the *Federal Register* for public comment. At the present pace, the final FAR rule could be published soon.

EVM is a methodology for determining cost, technical and schedule performance of a complex program or project by comparing work that is planned with work that is accomplished in terms of dollar value assigned to the work.

(Above) A U.S. Air Force F-15 Eagle Fighter aircraft. (U.S. Air Force photo.)

Even the most casual observer can see why EVM is used on efforts such as the Joint Strike Fighter...

DoD Is Making Policy Changes of Its Own

Present and former DoD staffers are playing a leadership role in helping to shape the new EVM language for the FAR. Among them is Mr. Wayne Abba, a private consultant on EVM and retired senior program analyst for contract performance management in the Office of the Secretary of Defense (OSD). “I try to talk to Mr. Dave Muzio at least once every week,” Mr. Abba said. “As the immediate past president of the College of Performance Management of the Project Management Institute, I have been able to work with Dave and help him edit all of the Earned Value requirements to ensure that something boneheaded doesn’t creep in there.” Mr. Abba has also helped Mr. Muzio organize materials and meetings. Mr. Muzio has made a number of presentations at conferences and industry forums in a concerted effort to obtain feedback. In each presentation, he has asked concerned parties to send their comments directly to him.

The DoD focal point for Earned Value has also been providing input to Mr. Muzio on the new FAR clause. According to Ms. Debbie Tomsic, program analyst in the Office of the Under Secretary of Defense for Acquisition, Technology and Logistics (AT&L), implementing the proposed FAR clause will mean as many as three major adjustments for DoD. At the

“One of the policy changes we are proposing will lift that prohibition on EVM for firm fixed-price contracts.”

same time, “DoD is revisiting its own EVM policy with the intent of making some pretty radical changes,” Ms. Tomsic said. But not to fear, “I have been working with Dave Muzio and sharing our proposed policy changes with him to ensure that we are not going in a direction inconsistent with the OMB vision for future Earned Value

in the federal government. From his feedback, we are consistent with where OMB is heading,” she added.

One of the adjustments in the new FAR clause affecting DoD is OMB’s advocacy that EVM be used on firm fixed-priced contracts. “Typically in DoD we have not done that. In fact, our old policy prohibited program managers from applying EVM on a firm fixed-price contract unless they got permission to do so,” Ms. Tomsic noted. Cost-type contracts are most often used for development work considered to be higher risk. Firm fixed-price contracts are typically used for manufacturing after most of the development work has been done. However, both Mr. Muzio and Ms. Tomsic agree that EVM should be used in some of these production contracts to prevent contractors from taking shortcuts that could be detrimental to the final product if they are faced with cost or schedule overruns. “One of the policy changes we are proposing will lift that prohibition on EVM for firm fixed-price contracts,” Ms. Tomsic said. “We intend to leave it up to the discretion of the program manager to determine whether he thinks he needs EVM on a firm fixed-priced contract. If he does, it will be within his prerogative to do so.”

Within the new policy, Ms. Tomsic and the DoD Working Group for Earned Value, which includes representatives from DCMA, are drafting guidance that program managers can use to make that determination. Also, in response to Mr. Muzio’s feedback, the new guidance will recommend schedule reporting — and cost reporting if deemed necessary — on fixed-price development and integration work that is inherently more risky to the government, according to Ms. Tomsic.

Ms. Tomsic said she expects OMB will require that EVM be applied to processes internal to the government as well as to contractors. “Because this is something that we are not doing on any widespread basis throughout the Department that I am aware of, this is something that will represent a change,” she said. “It will require some work to come up to speed.” Ms. Tomsic noted

“...a project that has both major contractor and government efforts...must...manage both parts in the same manner to provide the project manager with a complete picture of the project’s status.”

that contractors do the majority of the work on acquisition programs. “But there is often integration work that is being done by some government organizations and development in the labs,” she said. “All of those entities that have a role to play in acquiring the product or service, all of those component pieces, will need to have Earned Value on them, regardless of whether they are being done externally or internally. We typically don’t do that now. So that is another area where I see a potential impact to the Department.”

Mr. Muzio agreed that adding EVM to internal government processes is new to everyone. However, he said that the current draft of the FAR clause doesn’t say it. “Where it talks about that is in OMB Circular No. A-11, Part 7, ‘Planning, Budgeting, Acquisition, and Management of Capital Assets,’ dated July 2003,” Mr. Muzio said. “The language is there to ensure that agencies with a project that has both major contractor and government efforts that must be integrated for project success manage both parts in the same manner to provide the project manager with a complete picture of the project’s status.”

The third potential challenge for DoD from the new FAR language has to do with the timing of integrated baseline reviews (IBRs). The purpose of the IBR process is to achieve a mutual understanding between the government and contractor program managers of the risks inherent in the program and establish the management control processes they will use during the contract’s execution. In the FAR clause, OMB advocates that IBRs be conducted before a contract is awarded. “Typically, in DoD, we require that they be done within six months after contract award,” Ms. Tomsic said. When

The third potential challenge...has to do with the timing of integrated baseline reviews (IBRs).

Mr. Muzio rolled the pre-award IBR concept out at various conferences during April and May 2004, a number of DoD people expressed their concern. “I think Dave [Muzio] now has a better appreciation for the difference between the current DoD post-award IBR concept and OMB’s intent to use a pre-award IBR to better understand risk up front to improve source selections,” Ms. Tomsic said.

However, the issue is still very much on the table, according to Mr. Muzio. “The problem with IBRs performed six months after contract award is that it means the government didn’t describe its requirements very carefully such that when the contractors bid, they give a generic proposal,” he said. “Then, we wait six months after we pick somebody, and the price always goes up as the definition of the contract gets better.” Mr. Muzio believes that most of the requirements should be worked out before the contract is awarded. “And, if they have to down select to a couple of bidders and let them go through a further proposal, then why not?” he asked. “This way you still have competition. Once you award the contract, no competition. So, I am looking for the middle ground. We probably can’t do it all, but how far can we go? That is why I have pushed it all the way in these various forums, to see what kind of reaction we would get back.”

DoD also intends to change the dollar thresholds dictating when EVM is required on a contract within the Department. Read about this and the other major issue that the Earned Value community is wrestling with — third-party certification — and where DCMA may play a role in the second installment of “Earned Value Management, Where Are We Going From Here?”

DCMA's Earned Value Leaders Weigh In



by Mr. Terry Jones, Staff Writer

Over the past two issues, the Communicator has been reporting on the expansion of Earned Value Management (EVM) to all major federal contracts and the policy changes that are in store for the Department of Defense (DoD). To do full justice to the subject, we decided to interview DCMA's top EVM experts, Mr. Richard Zell and Mr. Steve Krivokopich, to find out what is on their minds. Mr. Zell has been the director of Supplier Operations for the past seven years, and he has been with DCMA since 1990. Mr. Krivokopich, deputy director of EVM/Supplier Operations, came to DCMA Headquarters in February 2003. Prior to this, he was the director of the DCMA Earned Value Management Center in Carson, Calif. When DCMA decided to consolidate the center's responsibilities at Headquarters, he came east.

(Right) Mr. Zell, director of Supplier Operations, is one of DCMA's top EVM experts.



...we have been able to move [EVM] from a cost-reporting tool to a program management tool.

Q: We all know that Earned Value (EV) will be expanding exponentially in the federal government over the next few years thanks to the new Federal Acquisition Regulation (FAR) language, which mandates EV for all government high-dollar and high-risk programs. Why do you think it is catching on now?

Mr. Zell: I think it is catching on because we have been able to move it from a cost-reporting tool to a program management tool. Even seven to 10 years ago, very few program managers (PMs) and higher officials used EV. It's no longer just a reporting system, which is really what it was in the 1960s and 1970s. Nowadays, you have people like Mr. Wynne (acting under secretary of Defense for Acquisition, Technology & Logistics) looking at the EV data on these major programs, particularly when a program starts to get into trouble. So it really has become a program management tool. I have been in charge of this now for seven years and didn't come from EV. I came from the technical/engineering quality world. I would say that EV is where quality was in the mid- to late 1980s. There was a realization at the time that it wasn't just the quality people's profession; it was the responsibility of everyone. That is where we are going with EV, not just in DoD but also around the world. Everybody needs to understand EV and how their function translates into the program to help minimize risks and get the risks right.

Mr. Krivokopich: The other aspect of it is technology. We now have the capability to get down to very low levels in terms of execution and planning. Not many years ago, everything was rolled up, which added to the large lag time.

Q: But isn't one of the purposes of EV not only to identify what is happening in a program but also to suggest one or more corrective actions to get it back on course?

Mr. Krivokopich: In some situations, we are in a position to identify what needs to be done. But often times that



becomes a statement of the obvious when you are talking about things such as a technical performance indicator because of what's being measured. But yes, there are times where our people have the ability to identify what needs to be done. However, we walk a tight line there. What we are trying to do, as a minimum, is to understand what the supplier's plan is and be able to provide to our customer an independent perspective of the likelihood of that plan achieving its desired outcomes. In the final analysis, the supplier is the one who has to implement the plan. They need to own that plan in order to implement it.

Q: Some EV professionals lament that many government staffers with EV knowledge are retiring. With the expanding requirement to use EV, they are saying we need more trained people, and it takes time to accomplish that.

Mr. Zell: That is a very interesting scenario of what's been happening. There is a body of knowledge for EV. It's true. A lot of them have retired, and I'm not so sure that it is a bad thing. A lot of the cultists are leaving, and we are getting new folks who do need to understand the body of knowledge. But they must understand it in a different way — as a program management tool. It is not just about numbers. But I think one of the neatest things is that the other people are becoming EV

(Above) Mr. Krivokopich, deputy director of EVM/Supplier Operations, is leading DCMA in EVM initiatives.

...you could almost go any place, and people would at least be aware of EV to differing extents.

fluent. It's like quality: quality is everybody's job. All program personnel need to be able to understand it. We aren't totally there yet. But you could almost go any place, and people would at least be aware of EV to differing extents. Whereas seven to 10 years ago, other functions didn't even know it existed.

Mr. Krivokopich: To give you some context for that, in the early 1990s, EV — the discipline and the expertise — was organizationally within DoD. It resided in the comptroller's office. So EV was viewed as a financial reporting tool. Companies tend to draw a line that way also. Most of the people who have been in this business for a long time came out of the cost and estimating areas. So a little over 10 years ago, DoD recognized that EV was integral to program management, and it was organizationally moved to program management. A change of that nature just doesn't happen by changing someone's office symbol. There are cultural issues as well as the need for additional skills in order to apply EV to program management. While that is occurring, it hasn't happened as fast as some would like to see. When the old timers talk about all of the people who are leaving and the need for training, they are looking behind them at the path that they forged. I've got three engineers on my staff of five. It was a way to infuse a different skill set.

Q: So what you are saying is we need to sharpen our people so they use the tool well and that a lot of people already know EV. They just didn't know they know it.

Mr. Zell: Right.

Mr. Krivokopich: Right.

Mr. Zell: It is not the tool or variance that

is important; it's what happened to cause the problem. What were the underlying root causes? Was it faulty risk assessment? Somebody made a judgment that something was going to happen and it didn't. The big change for our organization is that we now are trying to understand the contractor's program and plan and that these variances don't just happen. There are underlying causes. If you understand the cause, you are able to make some predictions so that decisions can be made. The EV community could always see things, but they didn't make useful predictions. They would predict it would go over cost, but they would not determine why. They never really helped the PM. Nowadays, it is about the underlying causes of the plan. There was some faulty reason within the plan somewhere. So, how can we collectively make decisions between the two PMs — the contractor and government PM — and either correct or put resources against it. There are a lot of decisions that they could make.

Mr. Krivokopich: A functional specialist already understands the supplier's plan to execute a project, and they have a sense of progress on that. What they need to do is make the connection in terms of EV. At this point, they are thinking EV is something different. It is not different. It's the language of program management in terms of identifying performance in terms of cost and schedule. I'll use an example: an industrial specialist says, "They are behind schedule and don't have enough resources to get this done." That's information, but it doesn't put it in context for the decision maker. What is the cost of this particular performance? What is going to be the cost to get improved performance to meet our plan? Will we even be able to get back to the plan? Will we have additional costs through schedule slips? Our people have

...a little over 10 years ago, DoD recognized that EV was integral to program management...

this information. If they just take a couple of additional considerations into account, they can articulate performance in terms of cost and schedule, which coincidentally is EV.

Q: What is your take on third-party certification? Some seem to think that if private companies start becoming third-party certifiers, there would probably be some type of government panel established — which DCMA would most likely be represented on — that would check the checkers.

Mr. Zell: I doubt that would happen. That was always the problem with ISO 9000 [the International Organization for Standardization's international reference for quality certification]. There is nobody within the government who wants to or will take that role. So, I very much doubt that we could. By having EV across the whole government, there is very limited EV knowledge outside of DoD. We encourage agencies to develop their internal people because we can't be everything to everybody. When we go out and look at contractor systems, the terminology used to be called "validations." We now try to call it "the capability." So when Steve and I go out and look at a contractor system, we judge whether it is capable of providing good data. That is a big deal because now that you are capable, you need to lay in your program to get the best benefit out of it.

Q: So, are you thinking of some sort of government certification?

Mr. Zell: Well, that's what we are doing now. What we do with ISO 9000 with a third party is that our people in the field individually look at a plant very specifically. When we go out, we are looking at a capability. So today, you are capable. But, we base it on the fact that we have people there doing ongoing surveillance and actually looking at how they are performing. The bottom line becomes what does any certification or validation mean? We have doctors that are certified. It doesn't mean that a podiatrist can do

great brain surgery if you give him that contract.

Q: Would you be an advocate of preparing DCMA to take the role on for the entire government?

Mr. Zell: I am not sure I would be an advocate of DCMA doing it for everybody because of the resources issue. I think the industry push with itself is greater leverage than the government, especially nowadays. I could do it. But once we leave that plant, if we don't have cognizance over it, who is going to make sure they keep doing it? I am not opposed to the third party. They will just hire all of my ex-people, which is what they have done in the past. But, if there isn't anyone in the plant watching it, what is the incentive for the company to keep using EV? The answer is that they would have to be committed to adhering to industry standard. In an ideal world, and if I were king for a day, I would use and advocate a maturity model approach like we do with software. A three would mean that you are capable, but we are really shooting for fours and fives. Companies really using it as a management tool have good processes in place. To me, a maturity model makes a lot more sense. But, generally companies are more interested in a "yes" or "no." But then it becomes, "What does that mean?" If you are not in there doing surveillance, what does it mean in two years or five years? That is the dilemma you run into. It is not an easy thing.

Q: What is your next milestone?

Mr. Krivokopich: Over the short term, here at the Headquarters we are looking inward trying to improve the capabilities within the Agency to use EV, so we can supply better insights to our customers. We have put a lot of focus on things external to the Agency but internal to the department for the last three years or so. We are at a crossroads at directing our efforts inward.

Companies really using [EVM] as a management tool have good processes in place.

Moving Out Quickly with Performance-Based Management Training

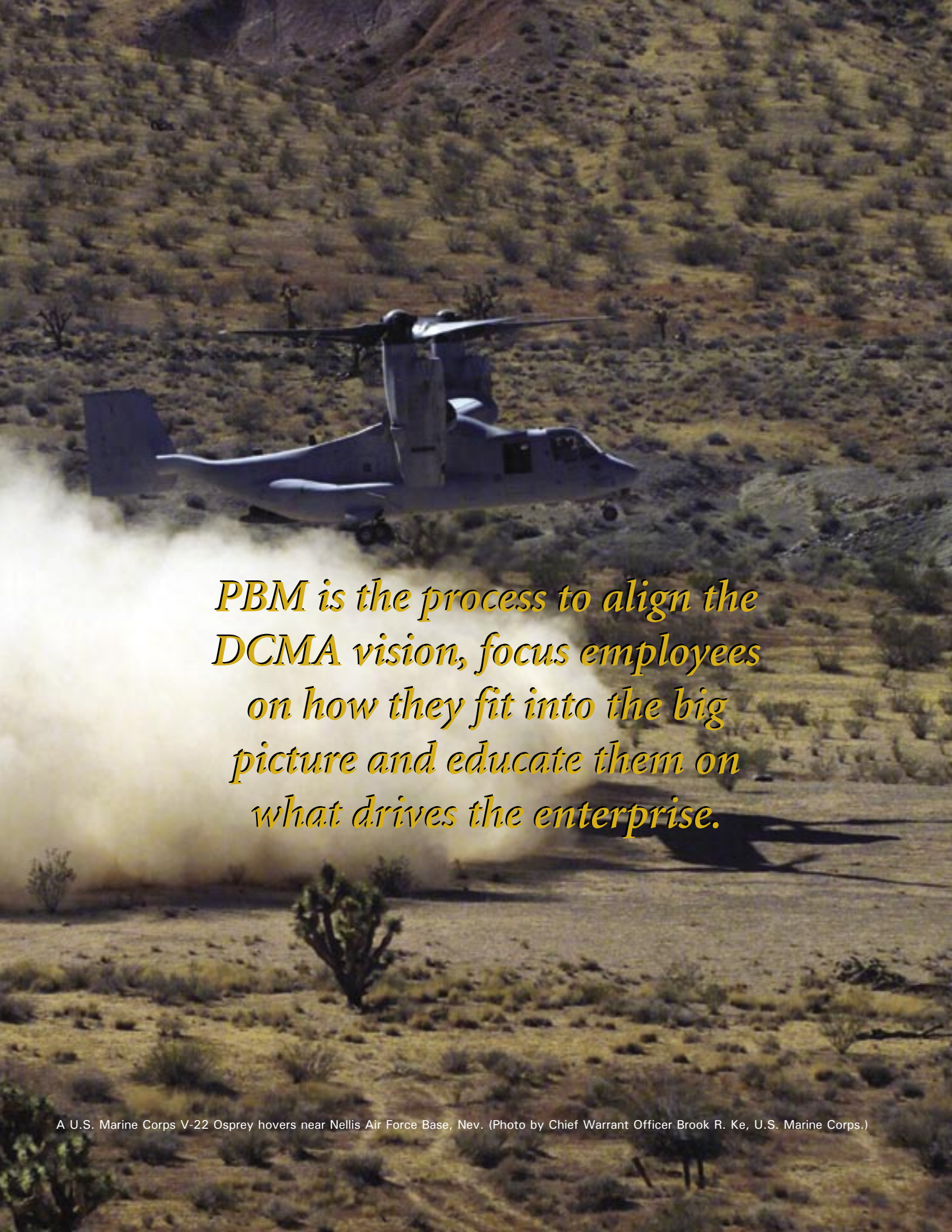
by Mr. Terry Jones, Staff Writer

DCMA Director Conducts Summer Training and Feedback Sessions

When Maj. Gen. Darryl A. Scott became the director of DCMA in December 2003, he came to the job with the experience of having been both a DCMA contract management office (CMO) commander and a DCMA customer. In his first weeks as the Agency's director, he was reminded of his customer days when a consultant came into his office and sat in front of him with a stack of handwritten notes on yellow legal paper. "You know what this is?" the consultant asked. The general said, "No. What is it?" "This is all of the stuff you told us you wanted from DCMA when you were a customer," the consultant replied. Maj. Gen. Scott couldn't help but smile at the irony. Now, as the Department of Defense (DoD) senior contract manager responsible for ensuring that acquisition programs, supplies and services are delivered on time, within cost and meeting performance standards, he finds himself in the position where he can help solve the issues he had as a customer. Resolved to do just that, Maj. Gen. Scott is moving DCMA forward with an initiative called Performance-Based Management (PBM). PBM is the process he is using to align the DCMA vision, focus employees on how they fit into the big picture and educate them on what drives the enterprise. It is the Agency's solution for achieving better customer outcomes.

DCMA started down the PBM road two years ago by trying to create a customer-centered culture (C3). As Mr. Stephen Herlihy, Headquarters deputy director of Supplier Risk Management, explains, "C3 was really the first tool DCMA used to begin to articulate customer outcomes. When Maj. Gen. Scott joined the Agency, he said that C3 was a step in the right direction. But he believes that we need to be more analytical and structured in our way of defining outcomes and laying out the path to achieve them." C3 became the precursor to quality function deployment (QFD), a set of tools created to tie product and service design decisions directly to customer wants and needs. QFD is a documented, structured, repeatable and disciplined approach to define customer outcomes and analyze the actions that DCMA can take to best ensure those outcomes are achieved.

In June 2004, DCMA provided a two-day QFD training session for 100 CMO commanders, deputy commanders, program integrators and key staff from both standard CMOs and subordinate offices or "streamlined CMOs." According to Mr. Herlihy, "At the end of the training we asked them to go back, look at those programs and see where they stood in defining customer outcomes, then map out what they could do to support those outcomes." After six weeks, on July 30, 2004, Maj.

A U.S. Marine Corps V-22 Osprey helicopter is shown in flight, hovering over a desert landscape. The helicopter is white with dark markings and is kicking up a large cloud of dust from the ground. The background consists of a dry, hilly desert with sparse vegetation. The text is overlaid on the image in a yellow, italicized font.

*PBM is the process to align the
DCMA vision, focus employees
on how they fit into the big
picture and educate them on
what drives the enterprise.*

Gen. Scott called the 100 participants back for a feedback session to determine their progress in implementing PBM in the selection of programs.

Originally developed by a Japanese shipbuilding company in the early 1970s, QFD fuses the needs and wants of the customer with design, development, manufacturing and service functions. Organizations, including DoD and many of its suppliers, use QFD to root out the customers' spoken and unspoken needs and then translate them into actions to achieve a common goal. "But we are not trying to sell QFD as the panacea of performance management," said Ms. Rhonda Miller, Headquarters performance advocate. "This is just one of the tools you can put in your basket to better communicate with your customers and translate their needs into outcomes."

One of the objectives of the QFD workshops was to get CMO leadership to understand how QFD can be used as a tool for PBM. The other objective was to bring together multiple CMOs supporting a program so that they could discuss the ways in which they collectively support customer outcomes. "We felt that by bringing the Supporting Program Integrator (SPI) network together in a workshop environment, they could identify how they support each other and how they each support the customer," said Mr. Scott Clemons, contract specialist in Headquarters Supplier Risk Management.

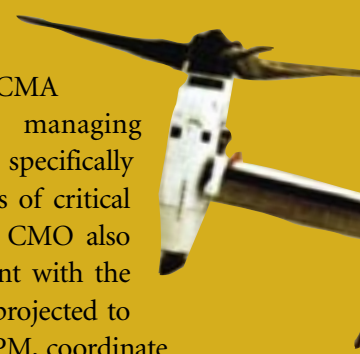
QFD training is an important step in DCMA's transformation to a PBM organization. During the feedback session, the 100 teammates accepted the challenge to reach an agreement with their customers about outcomes and create a system of measurements to determine progress toward

**PBM is the
Agency's solution
for achieving
better customer
outcomes.**

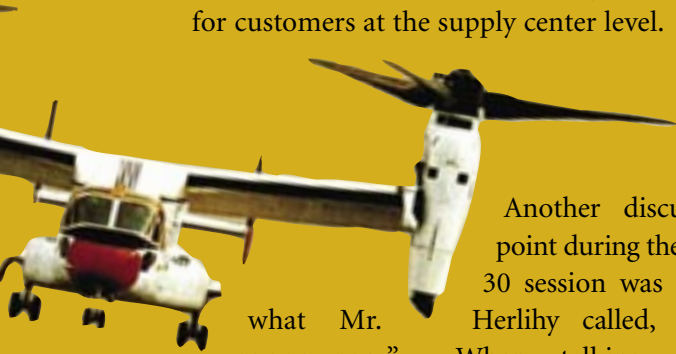
those outcomes. The V-22 Osprey Program is an example that Maj. Gen. Scott likes to use. The V-22 is a tilt rotor vertical/short takeoff and landing multimission aircraft. One of the program manager's (PM) outcomes was to deliver 18 aircraft in calendar year 2004. The CMO conducted a critical path analysis of the schedule and determined that one of the greatest schedule risks was with government-furnished equipment (GFE) [components or equipment the government has separately contracted with another supplier]. One of the outcomes the CMO negotiated with the PM was for the DCMA specialists who are managing the GFE contracts to specifically track the delivery status of critical GFE components. The CMO also established an agreement with the PM that when GFE is projected to

be late, the CMO will notify the PM, coordinate the transfer of assets from spare inventory and, when spares are not available, assist in the determination of an alternate source. In this example, the CMO is measuring two things: GFE on-time delivery and whether they meet their advanced notification agreement for GFE delinquencies. So here is a customer outcome, a suite of actions DCMA has taken or can take to support that outcome and some measures to determine if the Agency is staying on track.

One of the challenges to be worked through is that there are at least two distinct types of DCMA customers — program offices and buying centers — referred to as inventory control points (ICPs), such as those managed by the Defense Logistics Agency (DLA) and the military services. ICP customers buy thousands of parts with thousands of individual contracts. The problem is that they may have dealings with as many as 60



DCMA CMOs. "It was clear to most of us how you can apply QFD to programs," Mr. Herlihy said. "However, the application to the buying centers is more difficult. DCMA needs to engage smartly with ICP customers such as DLA's Defense Supply Center in Richmond, Va., and talk with one voice. It will be necessary to take a different approach and a different strategy to address those two different types of situations. QFD as a tool is more difficult in a many-to-many relationship," he added. DCMA is looking at different approaches such as Customer Integrator/Customer Support Team relationships to develop a strategic approach for customers at the supply center level.



Another discussion point during the July 30 session was about what Mr. Herlihy called, "joint measures." When talking about outcomes, it is often hard to distinguish between what the contractor is doing and what DCMA is doing. "If we don't control something, if we influence it, we should be measuring it to see if we are having a positive influence on it," Mr. Herlihy said. "Joint measures are fine as long as we ensure that we have an independent view, that we are not just deferring to a contractor measure." Ms. Miller agreed, adding, "If you are in a joint measure with a contractor and he feels he is at 95 percent and we feel he is at 79 percent, it is our duty to voice our opinion while still working to maintain that relationship with the contractor. We need to be up front with him and have an independent view."

Finally, the feedback session revealed that everyone in DCMA must recognize that they

are "part of a bigger organization," according to Mr. Clemons. "You have to support other CMOs as well as the customer," he said. Maj. Gen. Scott is putting more emphasis on communication to make the relationships work. CMOs should not expect to have all of the capabilities at their level. There are resources such as the Industrial Analysis Center in Philadelphia, Pa., that they can tap into. "A person in the CMO must understand DCMA's corporate capabilities enough to know that even if he or she cannot answer a particular customer question, DCMA can answer the question," Mr. Clemons said. "It is the whole of DCMA, the whole enterprise that makes DCMA what it is. Recognizing and leveraging that fact is where we really get our strength."

The June training and July feedback sessions were so successful that QFD training was conducted again in August 2004 for 100 leadership personnel from additional CMOs. To date, approximately 80 percent of all DCMA CMOs have been represented at the combined QFD training. The feedback session for the August training was held on October 26. DCMA performance advocates are preparing for the next increment, which will be a more intensive QFD train-the-facilitators course. This cadre of facilitators will then be able to help personnel in the field apply the QFD tools.

The major general's intent is to expand PBM to everything the Agency does. "We want to be at full operating capability (FOC), meaning that we have applied this approach across how we manage our organization and that we have linked performance management back to individual performance assessments, *i.e.*, performance ratings," Mr. Herlihy said. "Our target for FOC is January 1, 2006, which is the rating cycle after next."

(Above) Soaring high in the sky, this V-22 heads to its final destination. (U.S. Air Force photo.)

Worthy of the Refrigerator: DCMA's Small Business Report Card

by Ms. Katherine Crawford, Staff Writer



The members of the Defense Contract Management Agency (DCMA) Small Business Office recently received a report card worthy of prominent posting on the office refrigerator. In a matter of only two years, DCMA Small Business raised its performance assessment grade from an F to an A-.

The “Small Business Program Assessment,” overseen by Mr. Michael W. Wynne, acting under secretary of Defense for Acquisition, Technology and Logistics, was based on the achievement of goals set for both prime contracts and subcontracts. It measured fiscal year 2003 targets against actuals to obtain rating points, which ranged from 1 through 4 (with 4 being the highest grade of A). The rating points were then converted to weight factors and averaged. For fiscal year 2003, the Department of Defense (DoD) set a record of \$42 billion in small businesses contract awards, a \$9 billion increase over fiscal year 2002. This huge

increase is largely due to the innovative processes set in place by the DCMA Headquarters Office of Small Business Programs.

Prior to 2002, DCMA’s small business subcontracting program provided only basic oversight and fulfillment of requirements, and contractor performance ratings utilized rating criteria that were loosely defined.¹ In the last two years, however, both new leadership and new policies have resulted in the current assessment grade of A-.

Ms. Barbara Little, director, Small Business Programs, credits much of DCMA Small Business’ success to Maj. Gen. Darryl A. Scott. Under his direction several new initiatives were introduced that have yielded positive results. The first is the newly revised “Comprehensive Subcontracting Test Program,” which examines the allocation of the top 11 DoD prime contractors’ funds

(Above) Members of DCMA Small Business with report card. Left to right: Mr. Frank Ramos, director of the Office of Small and Disadvantaged Business Utilization, Office of the Under Secretary of Defense; Ms. Barbara Little, director, DCMA Small Business Office; Ms. Linda Oliver, deputy director of the Office of Small and Disadvantaged Business Utilization, Office of the Under Secretary of Defense.

to small business subcontracts. The revised program's first implementation revealed that over the past five years, the utilization of small business subcontractors has been declining. As a result, DCMA wanted to develop a better method for holding the prime contractors accountable for both meeting and increasing their DoD subcontracting goals.

The search for a more effective method for increasing prime contractor accountability resulted in the second initiative, the development of the benchmark small business goal. This program was designed for six of the 11 comprehensive contractors as an in-depth analysis of the techniques contractors use for finding and working with small businesses and examining successful practices as models for industry benchmarks. The results from this study are due out in January 2005. Maj. Gen. Scott allocated \$365,000 dollars for the study's funding, which provided for a systematic and in-depth technical analysis that had not been conducted before.

Another factor in the Small Business success was the revision of the primary contractors' individual compliance reviews in an effort to increase their accountability for small business subcontract achievements. The revision, instituted in July 2003, created more specific criteria for determining contractor performance, and a change in the rating schematic made it more difficult to attain a performance rating of "highly successful" or "outstanding." To achieve such a rating, the contractor must meet three long-standing small business goals and at least one of the newer goals (e.g., veteran-owned small business) as well as demonstrate significant success in other objectives identified in its subcontracting plan.

All of these guidelines have led, perhaps surprisingly, to improved relations between DCMA Small Business and the contractors. According to Ms. Vicky Harper-Hall, sector manager, Socio-Economic Business Programs (SEBP), Northrop

Grumman Integrated Systems, "DCMA Small Business has really helped us have better focus on our small business goals. They have been increasingly helpful in identifying ways we can expand subcontracting work." Ms. Harper-Hall also notes that "from a contractor standpoint, the Small Business visibility has really increased." Thus while the goals and standards set for the contractors are more difficult, they appreciate the clarity and solidity of their performance expectations. The contractors are working harder but with more definitive objectives in sight, which ultimately benefits their organizations.

Operations are also running more smoothly and with better direction at DCMA. In terms of agency procedure, Small Business has benefited from a modification in command structure in which Ms. Little now reports directly to Mr. Robert Schmitt, executive director for Operations, rather than to Maj. Gen. Scott. By making Operations a central component, Small Business gains access to the transformation initiatives that are taking place in Mr. Schmitt's unit. Additionally, DCMA Small Business is reallocating its resources by limiting its training and outreach functions, since other organizations already provide these services, and skipping a contractor's review for one year or more if the contractor's previous year's rating was "outstanding" and there were no significant changes in their subcontracting activity or personnel.²

The next DoD assessment of DCMA Small Business will be in August 2005, and Ms. Little feels that their success will continue. "We have done everything we can do to be the best agency we can be, and now we need to execute our initiatives," stated Little. She said she is confident that the implementation of the policies, which occurs at the District level, will be just as successful, continuing the Agency's positive momentum.

¹ United States General Accounting Office. *Contract Management: DoD Needs Measures for Small Business Subcontracting Program and Better Data on Foreign Subcontracts*. Washington D.C.: GAO, 2004.

² *ibid.*



DCMA

Defense Contract Management Agency

6350 Walker Lane

Alexandria, VA 22310-3241

www.dcmamail